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 a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **Asia Resources Holdings Limited** (the "**Company**"), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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
ACQUISITION OF 100% INTEREST IN THE TARGET COMPANY AND THE AGGREGATE LOANS

A notice convening a special general meeting of the Company to be held at Empire Room 1, 1/F, Empire Hotel Hong Kong • Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Wednesday, 11 June 2014 at 11:00 a.m. is set out on pages 108 to 109 of this circular.

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

26 May 2014

* *For identification purposes only*

CONTENTS

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

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendor and the acquisition of the Aggregate Loans by the Purchaser from the Vendor and the Guarantor pursuant to the Agreement
"Aggregate Loans"	the Loan and the Dalian Chuanghe Loan
"Agreement"	the conditional agreement dated 11 March 2014 entered into among the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
"Announcement"	the announcement dated 11 March 2014 made by the Company in relation to the Acquisition
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Best Moral"	Best Moral Holdings Limited, a company incorporated in Hong Kong on 17 January 2014 with limited liability and is wholly-owned by the Target Company
"Board"	the board of Directors
"Business Day"	a day (excluding any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business excluding Saturdays
"Company"	Asia Resources Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (Stock code: 0899)
"Completion"	the completion of the Agreement in accordance with the terms thereof

"Completion Date"	the seventh Business Day after the fulfillment or waiver of the conditions precedent of the Agreement (or such later date as the parties to the Agreement may agree in writing)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Dalian Chuanghe"	Dalian Chuanghe Landmark Co. Ltd.*（大連創和置地有限公司）, a company incorporated in the PRC with limited liability, and is wholly-owned by Mr. Ma prior to Reorganization
"Dalian Chuanghe Loan"	the aggregate amounts due from Dalian Chuanghe to the Guarantor (or his nominee) and outstanding as at Completion
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group and the Target Group
"Group"	the Company and its subsidiaries
"Guarantor"	Mr. Ma
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with nor acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong) with any of the Company, its subsidiaries, the respective directors, chief executives, substantial shareholders of the Company and any of its subsidiaries, and associates of any of them, and are not connected persons of the Company or any of its subsidiaries (as defined under Listing Rules)
"Latest Practicable Date"	20 May 2014, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	the aggregate amounts due from Target Company to the Vendor and outstanding as at Completion
"Loan Assignments"	the loan assignments (i) in relation to the Loan to be made between the Vendor and the Purchaser; and (ii) in relation to the Dalian Chuanghe Loan to be made between the Guarantor and the Purchaser
"Long Stop Date"	10 September 2014 or such later date as shall be determined by the parties to the Agreement
"Mr. Ma"	Mr. Ma Chun Ming, the sole shareholder and ultimate legal and beneficial owner of the Vendor, holding 17,370,000 Shares as at the Latest Practicable Date and an Independent Third Party
"PRC"	The People's Republic of China
"Purchaser"	King Lotus Limited, a company incorporated in British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
"Reorganization"	the reorganization of the Target Group to the effect that the entire paid up capital of Dalian Chuanghe (but not the Dalian Chuanghe Loan) shall be assigned from the Guarantor to Best Moral
"Sale Shares"	the entire issued share capital of the Target Company which shall be legally and beneficially owned by the Vendor immediately prior to Completion
"SFO"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

"SGM"	the special general meeting of the Company to be convened on 11 June 2014 for the purpose of considering and, if thought fit, approving the Acquisition and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.25 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Utmost Creation Holdings Limited, a company incorporated in the British Virgin Islands on 23 January 2014 with limited liability and is wholly-owned by the Vendor
"Target Group"	a group of companies consisting of the Target Group Companies
"Target Group Companies"	the Target Company, Best Moral and Dalian Chuanghe, and each shall be referred to a Target Group Company
"Target Land"	the two parcels of adjoining land, designated as Lot Nos. 05J01015 and 05J01016 and located on the northern side of Jinshitan No. 3 Road within Beibu District, Jinshitan, Jinzhou New District of Dalian City, and legally and beneficially owned by Dalian Chuanghe
"Vendor"	Rosy Yield Holdings Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Ma
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%" or "per cent"	percentage

* *For identification purposes only*

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:
Chim Kim Lun, Ricky *(Chairman)*
Cheung Kai Kwong
Yeung Yiu Bong, Anthony
Lu Jianling
Lin Chengdong

Non-Executive Director:
Tong Leung Sang

Independent Non-executive Directors:
Zhang Xianlin
Lum Pak Sum
Kwok Hong Yee, Jesse

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Unit 04, 34/F
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

26 May 2014

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION ACQUISITION OF 100% INTEREST IN THE TARGET COMPANY AND THE AGGREGATE LOANS

I. INTRODUCTION

Reference is made to the Announcement. On 11 March 2014 (after trading hours), the Purchaser, the Vendor and the Guarantor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares and the Vendor and the Guarantor have conditionally agreed to sell the Aggregate Loans, at a consideration of HK$450 million (subject to deduction as mentioned in the paragraph headed "Consideration of the Agreement" below), which will be satisfied in cash. As at the Latest Practicable Date, the Sale Shares represented the entire issued share capital of the Target Company and the Aggregate Loans represented aggregate amounts due from Target Company to the Vendor and outstanding as at Completion and the aggregate amounts due from Dalian Chuanghe to the Guarantor (or his nominee) and outstanding as at Completion.

The purpose of this circular is to provide you, among other things, (i) further details of the Agreement; (ii) a notice of the SGM; and (iii) other information as required under the Listing Rules, for the purpose of the SGM.

II. THE AGREEMENT

Date: 11 March 2014 (after trading hours)

Parties:

Purchaser : King Lotus Limited, a wholly-owned subsidiary of the Company

Vendor : Rosy Yield Holdings Limited, a company incorporated in the British Virgin Islands. The principal business of the Vendor is investment holding.

Guarantor : Mr. Ma, the sole shareholder and ultimate legal and beneficial owner of the Vendor

Mr. Ma, a Hong Kong citizen aged 43, is a merchant and is engaged in property development business in the PRC and the investment business of financial and securities market in Hong Kong. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor and the Guarantor (who is the Vendor's sole ultimate beneficial owner) is an Independent Third Party.

The Vendor and the Guarantor shall together be referred to as the "Vending Parties" and each a "Vending Party".

Subject matter of the Agreement

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares and the Vendor and the Guarantor have conditionally agreed to sell the Aggregate Loans subject to the terms of the Agreement, but otherwise, free from encumbrance and together with all rights attached or accruing to the Sale Shares. As at the Latest Practicable Date, the Sale Shares represented the entire issued share capital of the Target Company and the Aggregate Loans represented aggregate amounts due from Target Company to the Vendor and outstanding as at Completion and the aggregate amounts due from Dalian Chuanghe to the Guarantor (or his nominee) and outstanding as at Completion.

The Target Company is an investment holding company and is wholly-owned by the Vendor. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company.

Consideration of the Agreement

The consideration for the Acquisition under the Agreement shall be HK$450 million, and payable in cash in the following manner:

(i) within seven Business Days after the date of the Agreement, a refundable deposit of HK$135 million to the Vendor (or its nominee);

(ii) within seven Business Days from the date of passing the resolution by the Shareholders at the SGM, another refundable deposit of HK$135 million to the Vendor (or its nominee); and

(iii) upon Completion, a sum of HK$180 million shall be paid by the Purchaser to the Vendor (or its nominee).

There shall be deducted from the consideration any debt (excluding the Aggregate Loans) owed by the Target Group to any third party as at Completion.

The consideration for the Acquisition was arrived at based on normal commercial terms after arm's length negotiation among the Purchaser, the Vendor and the Guarantor with reference to, among other things, (i) the valuation of the Target Land provided by B.I. Appraisals Limited, an independent professional valuer by adopting the direct comparison method; (ii) the unaudited net asset value of Dalian Chuanghe of approximately RMB163.3 million as at 31 December 2013; and (iii) the Aggregate Loans of approximately HK$200 million as at the Latest Practicable Date.

The Company intends to fund the consideration of the Acquisition by internal resources.

The Company has raised net proceeds of approximately HK$532.4 million through the placing of convertible notes ("Placing") which was announced on 24 October 2013 and 15 November 2013, respectively. In addition, as disclosed in the circular of the Company dated 16 September 2013, the reason of the Placing was for financing the potential real estate investment opportunities in the PRC in order to improve the Company's earning base, particularly the Guangzhou Zengcheng project ("Zengcheng Project") announced by the Company dated 14 November 2013 thereafter. Being not satisfied with the results of the due diligence investigation, the Company terminated the Zengcheng Project on 19 February 2014. However, as the Directors expected opportunities in the real estate sector in the PRC, the Company kept reviewing different real estate projects in the PRC and finally identified the Target Land which the Board considered to be most probable.

Having taken into account i) the suspension of the Group's iron mining activities in Mongolia; and ii) the amount of capital requirement for the construction of an iron sand processing factory in Indonesia of approximately US$1,930,000 (approximately HK$14,958,000), the Directors consider property development business is the only capital intensive business of the Company after the Completion. Also, as at the Latest Practicable Date the Company has no plan, discussion nor negotiation of further fund raising arrangements for the Indonesia project mentioned above.

Besides, even the consideration of the Acquisition of HK$450 million is settled by cash, there will be approximately HK$82.4 million of the remaining net proceeds from the Placing, and that is sufficient for the operation. Thus, the Board is of the view that it is appropriate and in the interest of the Company and Shareholders as a whole to fund the consideration of the Acquisition by cash originally raised for real estate investment purpose.

The Directors consider the consideration for the Acquisition is fair and reasonable and on normal commercial terms and in the interest of the Shareholders as a whole.

Conditions precedent to the Agreement

Completion shall be conditional on fulfillment of the following conditions precedent save as waived by the Purchaser where applicable:

(a) due diligence is satisfactory to the Purchaser in its absolute discretion as confirmed by the Purchaser in writing;

(b) the Guarantor having given the personal guarantee to guarantee that the Vendor shall perform all its obligations under the Agreement and that all representations and warranties given by the Vendor in the Agreement shall remain true, accurate, correct and not misleading;

(c) the Vendor and the Guarantor shall have executed the tax indemnity in respect of the Target Group Companies on Completion;

(d) the Vendor shall have executed Loan Assignments on Completion;

(e) the Guarantor shall have procured the Reorganization;

(f) the Target Company shall remain as the sole and beneficial owner of the Target Land respectively free from all encumbrances and/or third party rights whatsoever;

(g) all necessary statutory governmental and regulatory obligations shall have been complied with and all approvals, consents, authorisations, permissions, licences, agreements, exemptions and waivers (so far as are necessary) in relation to the transactions contemplated under the Agreement shall have been obtained from the relevant governmental and regulatory authorities including but not limited to the Securities and Futures Commission, the Stock Exchange and/or the relevant authorities in the PRC;

(h) at the absolute discretion and direction of the Purchaser, Dalian Chuanghe, its legal representative and any relevant officer of Dalian Chuanghe shall execute all necessary documents as required by the relevant authorities in the PRC to effect, confirm, or apply for approval of and have obtained the required approval(s) for the change of legal representative of Dalian Chuanghe and amendment to the articles of association of the Target Company, as applicable in accordance with the terms of the Agreement. For the purposes of effecting the Reorganization, Dalian Chuanghe shall go through all the necessary procedures at relevant authorities in the PRC, including but not limited to applying for approval at the Ministry of Commerce of the PRC or its local counterpart as applicable and registering at the local Administration for Industry and Commerce to obtain a new business license;

(i) the Company shall have called a special general meeting at which resolutions approving the purchase of the Sale Shares and the Aggregate Loans by the Purchaser and the transactions contemplated thereunder shall have been duly passed;

(j) the Purchaser shall have received a final valuation report (in substance and form satisfactory to the Purchaser in its absolute discretion) issued by such professional valuers retained or to be retained by the Purchaser, that indicates that the value of the Target Land is not less than RMB470,000,000;

(k) the Purchaser shall have received a final legal opinion(s) on the Target Group Companies and the Target Land (in substance and form satisfactory to the Purchaser in its absolute discretion) issued by such legal advisor(s) from the jurisdiction(s) of each respective Target Group Company retained or to be retained by the Purchaser;

(l) the warranties set out in the Agreement shall remain 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

(m) the Purchaser shall be satisfied in its absolute discretion, from the date of the Agreement to Completion, that 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 Vendor shall provide all reasonable assistance to the Purchaser in the fulfilment of conditions (a), (g), (h), (j) and (k). The Purchaser may waive (in whole or in part) any of the conditions (a), (f), (h), (k) and (l) referred to above, such waiver shall be effective only if it is made in writing and notified to the Vendor seven Business Days prior to the Completion Date. It is anticipated that the Purchaser will grant waiver only for some technical or secondary issues or matters which are beyond the control of the parties to the Agreement. The Purchaser does not intend to waive conditions which will materially affect the substance of the Acquisition.

In relation to condition (f), upon completion of due diligence over the Target Land, if there is any minor encumbrance which in the opinion of the Purchaser does not materially affect the value or title of the Target Land, the Purchaser may consider waiving condition (f).

In relation to condition (h), whilst it is the intention of the Company to retain the current management (including the legal representative) of Dalian Chuanghe (please refer to the paragraph headed "Future plans after the Acquisition" below) to ensure that the takeover will not cause any interruption to its operation, condition (h) is still required if, for any reason, the Company ultimately decides not to retain the current management (and the legal representative) of Dalian Chuanghe. If the Company can come to terms with the current management of Dalian Chuanghe for them to stay behind after Completion, the Company will waive its rights under condition (h).

In relation to condition (l), in the event that any warranty under the Agreement is found to not be entirely true and correct, if the breach of such warranty does not materially affect the Acquisition, the Purchaser may consider waiving condition (l) for such immaterial breach.

In the event any of the conditions precedent set out in the Agreement has not been satisfied or waived (if applicable) by the Long Stop Date, either the Purchaser or the Vendor shall notwithstanding any previous negotiation or litigation be at liberty to annul the Agreement immediately at any time after the Long Stop Date by giving to the other party or its solicitors five Business Days' notice in writing, in which case the Agreement shall be annulled and the Vendor shall immediately return to the Purchaser any deposit(s) or any other monies paid by the Purchaser as a deposit(s) or on escrow without any costs or compensation and if such return is made within seven Business Days, upon demand, without interest.

Guarantee provided by the Guarantor

The Guarantor has unconditionally and irrevocably guaranteed to the Purchaser, as principal obligor and not merely as surety for the obligation of the Vendor under the Agreement including:

(a) the due, full and punctual delivery of the entire issued share capital of Target Company to the Purchaser (or its nominee) upon Completion;

(b) the due, full and punctual delivery of vacant possession of the Target Land to the Purchaser (or its nominee) upon Completion of the Agreement;

(c) the due, full and punctual performance and observance by the Vendor of all its obligations contained in the Agreement; and

(d) the due, full and punctual performance and observance by the Vendor of all the warranties given in the Agreement.

Failure by the Parties

If the Vending Parties shall at their own fault fail to complete the sale and purchase in accordance with the provisions of the Agreement (otherwise than as a result of the default of the Purchaser), the Purchaser shall be entitled by notice in writing to the Vending Parties to rescind the Agreement whereupon the Vendor shall forthwith return the deposit(s) paid to the Vendor thereunder to the Purchaser without deduction or interest and without prejudice to any other rights or remedies of the Purchaser thereunder.

If the Purchaser shall at its own fault fail to complete the sale and purchase in accordance with the provisions of the Agreement (otherwise than as a result of the default of the Vendor), the Vendor shall be entitled by notice in writing to the Purchaser to rescind the Agreement without prejudice to any other rights or remedies of the Vendor thereunder whereupon all deposit(s) paid to the Vendor thereunder shall be absolutely forfeited to the Vendor as liquidated damages without affecting the right of the Vendor to seek damages for breach of the Agreement and the Vendor may but is not obliged to resell or otherwise deal with the Sale Shares and the Aggregate Loans or any part thereof whether by public auction or private contract or in such other manner as the Vendor may in its absolute discretion think fit and on such terms and conditions as the Vendor shall deem fit.

Completion

Completion shall take place on the seventh Business Day after the fulfillment or waiver of the conditions precedent of the Agreement (or such later date as the parties to the Agreement may agree in writing).

INFORMATION ON THE TARGET GROUP

The Target Company was incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, the Target Company is wholly-owned by the Vendor.

Each of the Target Company and Best Moral is an investment holding company and has not commenced any substantive operation since its establishment.

Dalian Chuanghe is a company with limited liability established under the laws of the PRC on 20 December 2012. The major asset of Dalian Chuanghe currently consists of the land use rights of two parcels of adjoining land located in Beibu District, Jinshitan, Jinzhou New District, Dalian City, the PRC*（大連金州新區金石灘北部區）, with a total area of approximately 111,642 square metres. The scope of business of Dalian Chuanghe is ordinary residential real estate development and property management within the Target Land.

Jinshitan is located in the southern tip of the Liaodong Peninsula at the Yellow Sea coast. It is at about 50 kilometers away from downtown of Dalian City and composes of the eastern peninsula, the western peninsula and the broaden hinterland and the beach. The construction and development of the Jinshitan over the years has created it into a leisure life zone formed by sport, entertainment, culture and living sectors.

The real estate market of Jinshitan, though started late, has become one of the most mature low density residential property market in Dalian. At present, customers for the Jinshitan residential property market are mainly originated from the three provinces in Northeast China, the downtown of Dalian City and the Dalian Economic and Technological Development Zone (the "Development Zone") with a ratio of approximately 2:1:1, mainly for the purposes of investment, vacation and retirement uses. The gradual improvement in transportation and living facilities together with the superior living environment of Jinshitan has attract customers from the Development Zone to choose Jinshitan for long-term residence. The supply of residential property in Jinshitan as at the first quarter of 2014 is abundant, being approximately 510,000 square meters.

Being affected by the nationwide real estate macro-control, the commodity residential property market of Jinshitan shows wavy change in supply-demand relationship. The overall market transactions have declined since 2011. Though the transaction volume rose slightly in 2012, it dropped again in the 2013. Recently, there appeared signs of picking up once again.

The commodity residential property prices in Jinshitan had maintained a continuous rising momentum until the average transaction price reached a record high in 2011, at approximately RMB9,168 per square meters, with approximately 19% rise compared to that in 2008. Under the effects of nationwide real estate macro-control, the average price started to decline from 2012. Transactions in the first quarter of 2014 indicated the average price of commodity residential property to be approximately RMB6,949 per square meters. Market indications show that the commodity residential property market has gone through a smooth transition into a state of comparatively rather stable in price.

The original purchase cost by Dalian Chuanghe in respect of the acquisition of the Target Land was approximately RMB162 million, and the subsequent capital injection provided by the shareholders of Dalian Chuanghe was RMB160 million prior to the Reorganization.

The Target Land is for residential use and the nature of the buildings being constructed on the Target Land (the "Buildings") is commodity property. It is planned to develop 55 buildings on the Target Land with 21 buildings in the first phase (the "Phase I") and 34 buildings in the second phase (the "Phase II") with total expected investment of RMB550 million to RMB600 million.

Dalian Chuanghe obtained the Pre-Sale Permit for Commodity Property*（《商品房預售許可證》）of the Phase I in April 2014, with the completion of 60% of the construction of the Phase I which is expected to be completed by the end of October 2014. Meanwhile, the sales of the Phase I will begin in late May 2014 and is expected to be completed by March 2016. Regarding the Phase II, the expected time of start and completion for construction is October 2014 and May 2016 respectively, and the expected time of sales is expected to start from May 2015. Details of the Target Land are set out in Appendix IV to this circular.

As advised by Wang Jing & Co., the PRC legal advisors of the Company, Dalian Chuanghe was issued with the Interim Qualification Certificate for Real Estate Development Enterprise*（房地產開發企業暫定資質證書）(the "Interim Qualification Certificate") on 18 July 2013 of one-year term. With the Interim Qualification Certificate, Dalian Chuanghe is allowed to develop real estate within the business scope registered in its business license.

According to the Administrative Regulations on the Qualification of Real Estate Development Enterprises*（《房地產開發企業資質管理規定》）(the "Regulation") regarding the Order of the Ministry of Construction No. 77*（《建設部令第77號》）, the Interim Qualification Certificate is issued for newly established real estate development enterprises. As incorporated on 20 December 2012 with no real estate development track record, Dalian Chuanghe can only obtain the Interim Qualification Certificate and is not required to apply for grading of the Qualification Certificate for Real Estate Development Enterprise*（《房地產開發企業資質證書》）(the "Qualification Certificate") currently. The requirements for application of the Interim Qualification Certificate are as follows:

1) registered capital of the enterprise should be no less than RMB1 million;

2) having no less than five professional managers with the title of architecture, structure, financial, real estate and economy and no less than two professional accountants with qualification certificates; and

3) technical engineers should be qualified with intermediate professional title, and the financial manager should be qualified with primary professional title. The enterprise should also have statistical professional.

According to the Regulation, the Interim Qualification Certificate can be renewed for another two years by the relevant and competent PRC authority responsible for real estate development based on the business performance of the developer. Dalian Chuanghe would have no legal impediment or difficulties in renewing the Interim Qualification Certificate so long as Dalian Chuanghe complies with the above said requirements.

However, under the Regulation, Dalian Chuanghe is required to apply for grading and obtain the Qualification Certificate within one month before the expiration of the Interim Qualification Certificate. According to the Regulation, real estate development enterprises are divided into four grades of the Qualification Certificate depending on the conditions of qualification. After receiving the application, the relevant and competent PRC authority will evaluate the performance of development and management of the enterprise and decide the grade of the Qualification Certificate accordingly.

When applying grading of the Qualification Certificate to the relevant and competent PRC authority by Dalian Chuanghe, as advised by Wang Jing & Co., the PRC legal advisors of the Company, certain criteria in addition to those mentioned above for the application of the grading of the Qualification Certificate, including but not limited to, are as follows:

1) years of business operation;

2) rate of quality satisfaction for completed construction;

3) good quality warranty system and present Residence Quality Warranty*（住宅質量保證書）and Instruction for Use of Residence*（住宅使用説明書）to each end buyer when selling residential house; and

4) good construction safety history.

Subject to the satisfaction of the above said requirements, the Qualification Certificate shall be granted to Dalian Chuanghe subject to the grading decided by the relevant and competent PRC authority.

As of the Latest Practicable Date, Dalian Chuanghe obtained all required licenses, certificates or approvals to carry on the business of ordinary residential real estate development and property management. A summary of major certificates/approvals is shown as follows:

Certificates/Approvals	Validity Period	Licensing Bodies
Interim Qualification Certificate	18 July 2013 to 17 July 2014	Dalian Urban and Rural Construction Committee
Contract for Grant of State-owned Land Use Rights	70 years since 13 December 2012	Dalian Municipal Bureau of Land Resources and Housing
Certificate of State-owned Land Use	27 February 2013 to 12 December 2082	Dalian Municipal Bureau of Land Resources and Housing – Jinzhou New District Branch
Planning Permit on Land for Construction Use	since 24 January 2013	Dalian Jinzhou New District Planning Construction Bureau
Planning Permit for Construction Works (Phase I only)	since 9 October 2013	Dalian Jinzhou New District Planning Construction Bureau

Certificates/Approvals	Validity Period	Licensing Bodies
Commencement Permit for Construction Works (Phase I only)	since 26 December 2013	Dalian Jinzhou New District Planning Construction Bureau
Pre-sale Permit for Commodity Property (Phase I only)	since April 2013	Dalian Jinzhou New District Land and Housing Bureau

FINANCIAL INFORMATION

As mentioned in the paragraph headed "Information on the Target Group" above, each of the Target Company and Best Moral is an investment company. Save for holding the entire issued share capital of Best Moral, the Target Company did not hold any other investments as at the Latest Practicable date. Thus, the accountants' report of the Target Company and Best Moral were not prepared.

The following table sets forth an unaudited statement of financial position of Target Company as at 30 April 2014.

	As at 30 April 2014 *HK$'000*
CURRENT LIABILITY	
Amount due to a director	16
Net liability	(16)
EQUITY	
Share capital	–
Reserves	(16)
	(16)

The following table sets forth an unaudited statement of financial position of Best Moral as at 30 April 2014.

	As at 30 April 2014
	HK$'000
NON-CURRENT ASSET	
Investment in a subsidiary	10,000
CURRENT LIABILITY	
Amount due to a director	10,007
Net liability	(7)
EQUITY	
Share capital	–
Reserves	(7)
	(7)

According to the accountants' report on Dalian Chuanghe prepared in accordance with Hong Kong Financial Reporting Standards set out in Appendix II to this circular, loss before and after taxation of Dalian Chuanghe for the period from 20 December 2012 (date of incorporation) to 31 December 2012 and the year ended 31 December 2013 and the net asset value of Dalian Chuanghe as at 31 December 2013 are set out below.

	From 1 January 2013 to 31 December 2013 *(HK$'000)*	**From 20 December 2012 to 31 December 2012** *(HK$'000)*
Loss before taxation	(12,014)	–
Loss after taxation	(12,014)	–

	As at 31 December 2013 *(RMB'000)*
Net asset value	198,270

Under an undated loan agreement entered into between Dalian Chuanghe as the borrower and Shenzhen Changhongda Automobile Service Company Limited*（深圳長鴻達汽車服務有限公司）as the lender, the lender agreed to lend to the borrower a principal sum of RMB200,000,000 at an interest rate of 2% per month for the period from 10 January 2013 to 31 December 2014. Any late repayment of loan will be subject to an additional interest of 0.1% of the principal per day in arrears. As advised by Wang Jing & Co., this loan agreement may not be legally enforceable under PRC law. However, the sum under this agreement shall be refundable to Shenzhen Changhongda Automobile Service Company Limited*（深圳長鴻達汽車服務有限公司）.

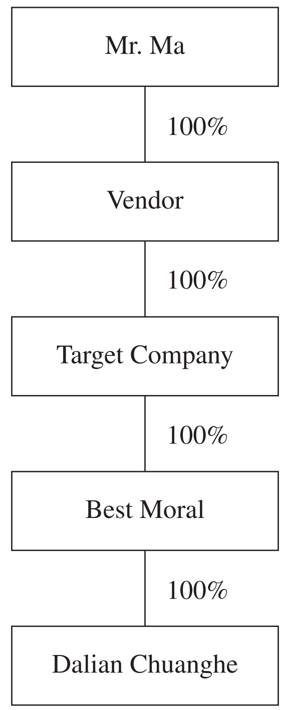
Under an entrusted loan agreement entered into between Mr. Ma as Party A and Shenzhen Changhongda Automobile Service Company Limited*（深圳長鴻達汽車服務有限公司）as Party B dated on January 5, 2013. Mr. Ma entrusted Party B to lend Dalian Chuanghe a principal sum of RMB200,000,000 at an interest of 2% per month. The interests shall be calculated according to the amount actually accrued. The amount actually accrued under this agreement shall be refundable to Mr. Ma.

In case that the said loan is assigned to the Purchaser, subject to the validity of the assignment of Dalian Chuanghe Loan under the Hong Kong law, the title to the loan accrued under this loan agreement shall be assigned to the Purchaser. However, due to the restriction of foreign exchange settlement, the said loan may not be successfully remitted abroad. The said loan shall remain within the PRC and be refunded in the currency of RMB.

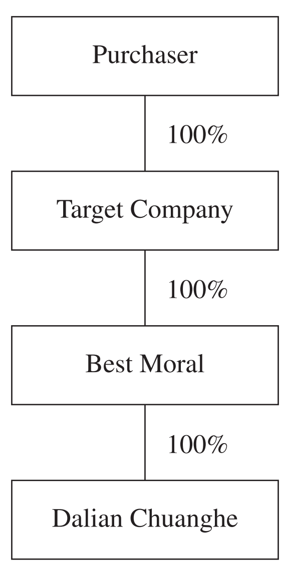
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

The corporate structure of the Target Group before the Reorganization is as follows:

The corporate structure of the Target Group after the Reorganization and before the Completion is as follows:



The corporate structure of the Target Group after the Reorganization and the Completion is as follow:



REASONS FOR THE ACQUISITION

The Company is an investment holding company with its current principal businesses comprising manufacture and sale of pharmaceutical products, iron mining, securities and gold trading, and property investments.

The pharmaceutical operation, i.e. manufacture and sale of intravenous fluids, through Siping Ju Neng Medicine Industry Co., Ltd. ("Siping Ju Neng"), which is a company incorporated in the PRC and is wholly-owned by the Company, has been facing continuous drop in its sale prices due to continuous oversupply in the market. Although our factory had successfully obtained the good manufacturing practice (GMP) license at the end of 2013, it is now facing the toughest competition that the Siping Ju Neng has ever experienced. Thus, it is foreseen that this sector of the Group's business will face difficult times ahead.

As a consequence of the introduction of various export restrictions by the Indonesian Government with effect from 12 January 2014 which had caused the export of iron sand to become unprofitable without further processing it brought the export of iron sand by the Indonesian subsidiary to a halt. As a result the iron mining sector has for the time being ceased to contribute cash flow to the Group.

Industry overview and prospects on the real estate sector in the PRC

The PRC has achieved significant growth since the PRC government adopted the reform and opening-up policy in 1978. The PRC's nominal GDP grew at a compound annual growth rate ("CAGR") of approximately 11.4% from 2007 to 2013, reaching approximately RMB56,885 billion in 2013 and making the PRC one of the fastest growing economies in the world, according to the National Bureau of Statistics of China.

The favorable economic environment in the PRC has fuelled the development of the PRC property market, where the Directors saw notable growth. According to the National Bureau of Statistics of China, from 2007 to 2013, investment in real estate development in the PRC grew a CAGR of approximately 22.6%, increasing from approximately RMB2,529 billion in 2007 to approximately RMB8,601 billion in 2013. A total of approximately 1,157 million square meters of residential gross floor area ("GFA") was sold in 2013, representing a substantial increase as compared to approximately 701 million square meters sold in 2007.

According to the National Bureau of Statistics of China, prices for real estate in the PRC also experienced remarkable growth from 2007 to 2013, increasing from approximately RMB3,645 per square meters in 2007 to approximately RMB5,850 per square meters in 2013 with average prices of residential properties growing at a CAGR of approximately 8.2%. The upward trend of the PRC property industry is also evidenced by the revenue from the sale of commodity properties (including residential properties, office buildings, house for business use and others), with the total real estate sales revenue increasing from approximately RMB2,989 billion in 2007 to approximately RMB8,143 billion in 2013. During the same period, total commodity GFA sold increased from approximately 774 million square meters in 2007 to approximately 1,306 million square meters in 2013.

According to recent government policies of the PRC, the year 2014 will be the starting point for deepening comprehensive reforms. The PRC government's attitude towards the property market has changed due to fluctuations in the market equilibrium and advocacy of measures such as two-way regulation, differentiated policy and category-specific guidance. All these measures are intended to make the property market more stable and healthy. Besides, given PRC's continuous economic growth, the continued increase in people's income and the implementation of urbanization policies, the property market still embraces substantial growth potential. Therefore, the Directors is optimistic about the development of the property market in long term.

Risks relating to the business operation and the real estate sector in the PRC

Although real estate sector in the PRC has been experiencing remarkable growth in recent years, it's also affected by many factors, including changes in the PRC's social, political, economic and legal environments, changes in the PRC government's fiscal and monetary policy, the lack of a mature and active secondary market for residential properties and the limited availability of mortgage loans to individuals in the PRC. The Company's business operation of property investment is also sensitive to the changes in the economic conditions, consumer confidence, consumer spending and customer preferences of the urban Chinese population.

The ability of the Company to achieve its target profitability on any real estate development project is largely dependent on the ability of the Company to accurately estimate and control labor and construction costs. Cost overruns may result in a lower profit or even a loss on a project. The amount of total costs the Company incurs on a project is affected by a variety of factors, including, among other things, fluctuations in the price of raw materials, variations in labor costs over the term of the development and changes in development scope or conditions. If the costs of the Company for a project exceed the sale price and any pricing buffer in the relevant project do not cover the cost overrun, the Company may incur losses, which could adversely affect the financial condition and results of operations.

Additionally, competition within the PRC real estate industry is intense, which is another associated risk factor relating to the future business operation. Domestic and overseas property developers have also entered the property development markets in Dalian. Many of them may have more financial, marketing, technical or other resources than the Company. Competition among property developers may cause an increase in land premium and raw material costs, shortages in quality construction contractors, and higher costs to attract or retain skilled employees. The peer competition faced by the Company was also evidenced by recent Hangzhou sales of new properties as other property developers sold at distressed prices.

Benefits for the Acquisition

Given the historical growth and profits in the real estate sector in the PRC, the Group has started its involvement in the property investment sector since the acquisition of two properties in Hangzhou in January 2013. In order to further enhance the value of these two properties, either for resale or investment in the long term, the Company is setting up a coffee shop and a children recreation facility within the premises of these two properties so as to attract a bigger flow of pedestrians to such area.

However, as the profitability of most sectors of the Group is uncertain, it is the Company's strategy to further diversify its earning base, including to focus into property investments. In line with such strategy, the Company entered into the Agreement as an investment by the Group in the real estate sector in the PRC where the Directors expect growth and profits.

In the meantime, according to Dalian Statistics Bureau, the nominal GDP of Dalian increased from approximately RMB313.1 billion in 2007 to approximately RMB765.0 billion in 2013, representing a CAGR of approximately 16.1%, which performed even better than the nation's statistics. Dalian has always been considered as a prestigious city in northeast China for its impeccable weather and convenient network.

As such, the Directors are of the view that the Target Land is ideal for development of residential community in North East China and the Acquisition presents an opportunity providing alternative main income stream and business diversification for the Company.

Taking into account of the benefits of the Acquisition, 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. However, any potential decline in demand for properties, property sales or property prices in the PRC, particular in Dalian may have adverse effects on the Company's operating results and financial condition.

Future plans after the Acquisition

The Company intends to retain the current management of Dalian Chuanghe and has no plan to terminate the employment of the existing employees of Dalian Chuanghe. Mr. Chim Kim Lun, Ricky and Mr. Yeung Yiu Bong, Anthony, together with other two newly appointed executive Directors, have relevant experience and knowledge in real estate projects and property market, and will ensure the smooth operation of the Target Group.

Future capital needs for operation will be satisfied by the possible mortgage loan within the Target Group, as the Target Land could be pledged after the Completion.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET GROUP

The Target Group comprises of the Target Company, Best Moral and Dalian Chuanghe. The Target Company was incorporated on 23 January 2014 and Best Moral was incorporated on 17 January 2014.

Each of the Target Company and Best Moral is an investment holding company and has not commenced any substantive operation since its establishment.

Accountants' report on the Dalian Chuanghe for the period from 20 December 2012 (date of incorporation) to 31 December 2012 and the year ended 31 December 2013 was set out in Appendix II to this circular. Management discussion and analysis of Dalian Chuanghe for the corresponding period was discussed below.

Financial review, business review, prospects and segmental information

Dalian Chuanghe had incurred both loss before taxation and loss for the year attributable to the owners for the period of approximately HK$12,014,000 for the period, which were mainly resulted from finance costs.

Dalian Chuanghe currently operates in one business segment of the property development in the PRC. The sales of the project on the Target Land will be started in late May 2014.

Capital structure, liquidity, financial resources and gearing ratio

As at 31 December 2013, the total assets, total liabilities and net assets of Dalian Chuanghe were valued at approximately HK$461,057,000, HK$263,447,000 and HK$198,270,000. Cash and bank balances of Dalian Chuanghe as at 31 December 2013 amounted to approximately HK$1,501,000. The gearing ratio (calculated as total liabilities over total assets) was approximately 57.14% as at 31 December 2013.

Capital commitment

Dalian Chuanghe has approximately HK$62,189,000 capital commitment as at 31 December 2013. It comprises properties under development.

Treasury policies

Dalian Chuanghe has no formal treasury policy and has not entered into any form of financial arrangement for hedging during the period under review.

Exchange rate exposure

Dalian Chuanghe's businesses are located in the PRC and most of the transactions are conducted in RMB. Most of Dalian Chuanghe's assets and liabilities are denominated in RMB. Fluctuations of the Exchange rates of RMB against foreign currencies do not have significant effects on Dalian Chuanghe's results. Dalian Chuanghe has not hedged its foreign exchange rate risk for the period ended 31 December 2013.

Contingent liabilities

Target Group did not have any significant contingent liabilities as at 31 December 2013.

Significant investments, material acquisition and disposals

Save and except for the investment in the Target Land, Target Group did not have any significant investments, material acquisition and disposals and future plans for material investments for the period under review.

Employment and remuneration policy

As at 31 December 2013, Dalian Chuanghe had 32 employees, Dalian Chuanghe ensured that the remuneration of employees was attractive and bonuses were given based on the performance of the employees in accordance with the general standards of salary policies of Dalian Chuanghe.

For the year ended 31 December 2013, the staff cost of Target Group was approximately RMB399,000, which included employees benefits expense, salaries and allowance, and pension scheme contributions.

Pledged of assets

The land use right of the Target Land was pledged to China Bohai Bank Company Limited Beijing Branch*（渤海銀行股份有限公司北京分行）for the aggregate mortgage amount of not exceeding RMB100,000,000 which, according to the Vendor was discharged on 10 April 2014.

Future plans for material investments or capital assets

The Target Group does not have any plans for material investments or capital assets in the coming year.

PROPERTY INTERESTS AND PROPERTY VALUATION

B.I. Appraisals Limited, an independent property valuer, has valued the property interests of Dalian Chuanghe as of 28 February 2014 and is of the opinion that the value of the property interests of Dalian Chuanghe as of such date was an aggregate amount of approximately RMB470,000,000. The full text of the letter in relation to the valuation report, summary of valuation and valuation certificates with regard to such property interests are set out in Appendix IV to this circular.

The table below sets forth the reconciliation of aggregate amounts of property interests and land use right ("Property Interests") from the audited consolidated financial statements of Dalian Chuanghe as of 31 December 2013 to the unaudited net book value of the Property Interests of Dalian Chuanghe as of 28 February 2014:

	RMB'000
Net book value of Property Interests as at 31 December 2013	194,715
Additions during the period from 1 January 2014 to 28 February 2014	83,951
Net book value as at 28 February 2014	278,666
Valuation surplus as at 28 February 2014	191,334
Market value of Property Interests as at 28 February 2014	470,000

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Target Group Companies will become wholly-owned subsidiaries of the Company and the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group.

As referred to in the annual report of the Group for the year ended 31 March 2013, the audited consolidated net assets of the Group as at 31 March 2013 was approximately HK$517,585,000 comprising total assets of HK$849,351,000 and total liabilities of approximately HK$331,766,000.

According to the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, the unaudited consolidated net assets of the Group as at 30 September 2013 was approximately HK$707,581,000 comprising total assets of HK$789,213,000 and total liabilities of approximately HK$81,632,000.

According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, the unaudited pro forma net assets of the Enlarged Group would be approximately HK$771,578,000, comprising unaudited pro forma total assets of approximately HK$929,158,000 and unaudited pro forma total liabilities of approximately HK$157,580,000.

The transaction costs for the Acquisition are estimated to be approximately HK$1,500,000 which consist mainly of the professional fees directly attributable to the Acquisition.

FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group is principally engaged in the manufacturing and sale of pharmaceutical products, iron mining business, securities trading, gold trading and property investment.

As disclosed in the annual report of the Company dated 27 June 2013 for the year ended 31 March 2013, the Group's total turnover was HK$111,957,000 representing a decrease of 1.4% over 2012.

Since 1 April 2013, the Group's intravenous fluids business has been affected by intensified competition in intravenous fluids market. Under these circumstances the profit margin of the business had gone down. Cost control disciplines have been embedded in the operation. Continuing efforts were also made to control and reduce costs of sales and administrative expenses.

Regarding the iron mine business, as disclosed in the interim report of the Company dated 28 November 2013, for the six months ended 30 September 2013 ("2013/14 Interim Report"), the iron mining activities in Mongolia continued to be suspended in order to minimize the expenses to be incurred. The Company is also considering disposing the Mongolia Mine to potential risk-taking investors. The Company has not entered into any agreement, arrangement, understanding, negotiation (concluded or otherwise) about the disposal of the Mongolia Mine at the Latest Practicable Date, although the Company have the intention to dispose the Mongolia Mine should such opportunity arises.

Whereas, for the iron mine trading business in Indonesia, as disclosed in the 2013/14 Interim Report, the Company exported and shipped out its first 10,000 metric tons of iron sand to China; thereafter, by the end of December 2013, the Group exported and shipped another 18,000 metric tons of iron sand to China. However, as disclosed in the announcement dated 24 January 2014, due to the introduction of the Ministerial Regulation No. 1/2014 promulgated by the Indonesian Government with effect from 12 January 2014, export of iron sand from Indonesia to China has been brought to a halt since the purity level of iron sand does not meet the minimum requirement. The management of the Company is still considering the most suitable alternative approach that can cope with the new requirements.

On 29 April 2014, PT. Asia Resources Sejahtera ("ARS"), the Company's indirect non-wholly-owned subsidiary in Indonesia as lessee, entered into an agreement with Dana Pensiun Kertas Leces as lessor, pursuant to which the lessor will lease to ARS a piece of industrial land in East Java, Indonesia (of approximately 32,746 sq.m. in area) for a period of two years from 1 June 2014 (with an option to renew for a further term of 18 years and a further option to lease another piece of land of approximately 21,050 sq.m. in area) at the rent of Indonesia Rp. 1,568,333,000 (approximately HK$1,064,000) for the two years for the purpose of building an iron sand processing factory on the land.

On 1 May 2014, ARS entered into a purchase contract in Jakarta with PT Azadirachta Mandiri to purchase equipments at a consideration of Rp. 1,850,000,000 (approximately HK$1,255,000) for the purpose of refining the iron sand employing the direct reduction iron method. Under the Group's plan, ARS will use the equipments to set up a processing factory on the land leased which is planned to commence operation before the end of 2014. PT. Dampar Golden International, the Company's another indirect non-wholly-owned subsidiary in Indonesia will supply the iron sand.

It is planned that the iron sand will be processed to increase the iron content ("Fe") of the iron sand from below 56% Fe to more than 75% Fe (sponge iron quality), thus satisfying the export requirement under the latest Indonesian regulations respectively. The Group is in the process of applying for the necessary licences and approval from the relevant authorities in Indonesia for the processing of iron sand and the export of the sponge iron.

With respect to the property investment business, as disclosed in the 2013/14 Interim Report, after obtaining ownership of two properties in Hangzhou, PRC on 22 January 2013, the management of the Company has decided to run a patisserie coffee shop and build an indoor recreation playground in the vicinity of the properties to enhance their value. Renovation works for both have been completed. The official opening of the shop and the playground will be subject to the obtainment of final approvals and permits from local authorities.

All necessary permits concerning the indoor playground has been received. The playground was first opened for business on 23 April 2014. Regarding the coffee shop, the application for relevant approvals and permits from local authorities is in the process. As advised by the PRC legal advisors of the Company, the expected time for the Company to obtain the final approvals of the coffee shop will be around four months after the application.

Apart from the aforesaid operations, the Group has enlarged its securities trading portfolio in this fiscal year as well as commencing its gold trading business.

The trading of gold commenced on 14 January 2014 in the form of purchasing and selling of physical gold with no finance arrangement or gearing. The gold stock was subsequently sold and a gross profit of HK$325,000 was made. This gold trading part of business is not expected to be conducted on a frequent basis and will constitute only a minuscule part of the Group's businesses.

Except as provided the information above, the Company has neither any agreement, arrangement, understanding nor negotiation about acquisitions of assets or business, nor any asset or business injections.

As mentioned in the paragraph headed "Reasons for the Acquisition", the Directors consider that the Target 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.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of reporting, announcement, and Shareholders' approval at general meeting under the Listing Rules. As at the Latest Practicable Date, Mr. Ma held 17,370,000 Shares, representing approximately 1.10% of the voting rights of the Company and shall abstain from voting on the resolution(s) in respect of the Agreement and the transactions contemplated thereunder at the SGM.

As at the Latest Practicable Date, Mr. Ma fully controls and is entitled to exercise full control over the voting right in respect of his shares in the Company.

SGM

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder. A notice convening the SGM to be held at Empire Room 1, 1/F, Empire Hotel Hong Kong • Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on 11 June 2014 at 11:00 a.m. is set out on pages 108 to 109 of this circular.

You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting and at any adjournment thereof if you so wish.

RECOMMENDATION

The Directors consider that the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of the SGM.

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

* *For identification purposes only*

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2011, 2012 and 2013 and for the six months ended 30 September 2013 are disclosed in the annual reports of the Company for the years ended 31 March 2011, 2012 and 2013 and interim report of the Company for the six months ended 30 September 2013, respectively, which are published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.asiaresources899.com).

2. INDEBTEDNESS STATEMENT

Borrowings

As at close of business on 31 March 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had outstanding secured interest-bearing loan HK$60,401,700.

Securities

As at close of business on 31 March 2014, the Enlarged Group has pledged certain of its buildings with an aggregate carrying amount of approximately HK$25,292,000 and plant and machinery amounting to approximately HK$21,233,000, land use rights amount of approximately HK$3,944,000 to certain banks to secure the credit facilities grant to the Group.

Convertible notes

As at close of business on 31 March 2014, being the latest practicable date for the purpose of indebtedness statement prior to the printing of this circular, the Enlarged Group had convertible notes issued to Kingston Securities Limited, Kwong Tak Chi, Kingsway Lion Spur Technology Limited, Chen Shao Chuan, Lau Man Kit Lawrence, Wu Chun Lei, Huang Jingchu, and Kwong Man Hong Michael in the amount of HK$20,002,500, HK$2,498,000, HK$6,949,500, HK$10,500,000, HK$7,000,000, HK$17,500,000, HK$10,500,000 and HK$2,500,000 respectively, which bear interest at 5% interest per annum, respectively.

Contingent liabilities

As at close of business on 31 March 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had no other material contingent liabilities outstanding.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the close of business on 31 March 2014, the Enlarged Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, financial lease, hire purchases commitments, guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the exchange rates prevailing as at close of business on 31 March 2014.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Enlarged Group after 31 March 2014 and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, are of opinion that, taking account of the effect of the acquisition and the internal resources of the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, in the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2013, the date to which the latest published audited financial information of the Company were made up.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

26 May 2014

The Board of Directors
Asia Resources Holdings Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Dalian Chuanghe Landmark Co. Ltd. ("Dalian Chuanghe") for the period from 20 December 2012 (Date of incorporation) to 31 December 2012 and the year ended 31 December 2013 (the "Relevant Periods"), for inclusion in the circular dated 26 May 2014 (the "Circular") issued by Asia Resources Holdings Limited (the "Target Group") in connection with the proposed acquisition of the 100% equity interests in Utmost Creation (the "Acquisition"), pursuant to a sale and purchase agreement dated 11 March 2014. The Financial Information comprised the statements of financial position as at 31 December 2012 and 2013, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the Relevant Periods, and a summary of significant accounting policies and other explanatory information.

No audited financial statements have been prepared for Dalian Chuanghe since its date of incorporation.

BASIC OF PREPARATION

The respective financial statements of Dalian Chuanghe for each of the years ended 31 December 2012 and 2013 have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institutes of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance. The Financial Information for each of the Relevant Periods were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA. The Financial Information set out in this report has been prepared from the unaudited financial statements with no adjustment made thereon.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL INFORMATION

For the purpose of this report, the director's of the Dalian Chuanghe is responsible for the contents for the circular, including preparation of the financial statements of the Dalian Chuanghe that gives a true and fair view for the Relevant Periods in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA (the "Underlying Financial Statements") and for such internal control as the director determine is necessary to enable the preparation of the Underlying Financial Statements that free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Financial Information based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Information is free from material misstatement. We have also carried out additional procedures as necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of the risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation and true and fair presentation of the Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the Financial Information together with the notes thereon gives, for the purpose of this report, a true and fair view of the state of affairs of the Dalian Chuanghe as at 31 December 2012 and 2013, and of the Dalian Chuanghe's and cash flows for the Relevant Periods then ended.

I. FINANCIAL INFORMATION

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	From 1 January 2013 to 31 December 2013 HK$'000	From 20 December 2012 to 31 December 2012 HK$'000
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other income and gains	6	4	–
Selling and distribution costs		(421)	–
Administrative expenses		(3,056)	–
Finance costs	7	(8,541)	–
Loss before taxation	8	(12,014)	–
Taxation	10	–	–
Loss for the year/period		(12,014)	–
Other comprehensive income, net of income tax:			
Items may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		5,284	–
Total comprehensive loss for the year/period, net of tax		(6,730)	–
Loss for the year/period attributable to the owners of the Dalian Chuanghe		(12,014)	–
Total comprehensive loss for the year/period attributable to the owners of the Dalian Chuanghe		(6,730)	–

The accompanying notes form an integral part of the Financial Information.

STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
		2013	**2012**
	Note	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	660	–
CURRENT ASSETS			
Properties under development	*13*	246,957	–
Prepayments, deposits and other receivables	*14*	205,324	–
Amounts due from related companies	*15*	7,275	–
Cash and cash equivalents	*16*	1,501	–
Total current assets		461,057	–
CURRENT LIABILITIES			
Accruals and other payables	*17*	471	–
Amount due to a director	*18*	5,851	–
Amount due to a shareholder	*19*	257,125	–
Total current liabilities		263,447	–
Net current assets		197,610	–
Total assets less current liabilities		198,270	–
Net assets		198,270	–
EQUITY			
Share capital	*20*	205,000	–
Reserves		(6,730)	–
Total equity		198,270	–

The accompanying notes form an integral part of the Financial Information.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	**Exchange reserve**	**Retained losses**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 20 December 2012 (Date of incorporation)	–	–	–	–
Loss for the period	–	–	–	–
Other comprehensive loss for the period, net of income tax	–	–	–	–
Total comprehensive loss for the period	–	–	–	–
At 31 December 2012 and 1 January 2013	–	–	–	–
Loss for the year	–	–	(12,014)	(12,014)
Other comprehensive loss for the year, net of income tax	–	–	–	–
Exchange difference on translating foreign operation	–	5,284	–	5,284
Total comprehensive loss for the year	–	5,284	(12,014)	(6,730)
Paid up capital	205,000	–	–	205,000
At 31 December 2013	205,000	5,284	(12,014)	198,270

STATEMENTS OF CASH FLOWS

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(12,014)	–
Adjustments for:		
Finance costs	8,541	–
Interest income	(4)	–
Depreciation	118	–
Operating cash flows before movements in working capital	(3,359)	–
Increase in property under development	(246,957)	–
Increase in prepayments, deposits and other receivables	(205,324)	–
Increase in other payables and accruals	471	–
Cash used in operations	(455,169)	–
Interest received	4	–
Income tax paid	–	–
Net cash flows used in operating activities	(455,165)	–

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(778)	–
Increase in paid-up capital	205,000	–
Net cash flows generated from investing activities	204,222	–
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts due from related companies	(7,275)	–
Amount due to a director	5,221	–
Amount due from a shareholder	249,214	–
Net cash flows generated from financing activities	247,160	–
Net decrease in cash and cash equivalents	(3,783)	–
Cash and cash equivalents at beginning of the year/period	–	–
Effect of foreign currency exchange rate charge	5,284	
Cash and cash equivalent at end of the year/period	1,501	–
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,501	–

II NOTES TO THE FINANCIAL INFORMATION

1. General information

The Dalian Chuanghe was incorporated in the PRC with limited liability and principally engaged in property development. The registered office and principal place of business of the Dalian Chuanghe is at No. 65, Jin Shi Road, Dalian Economic-Technological Development Area, Dalian, the PRC.

2. Basis of preparation

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards and Interpretations (collectively, "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The financial statements are prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair value, as explained in the principal accounting policies set out below.

3. Summary of significant accounting policies

Statement of compliance

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Target Group has consistently applied HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and interpretations issued by the HKICPA that are effective for the accounting periods beginning on 1 January 2013 throughout the Relevant Periods.

In the current year/period, the Dalian Chuanghe has adopted all of the new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013.

HKFRS 1 (Amendments)	Government Loan
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Combined Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except for the amendments to HKAS 1, the application of these new HKFRSs has no material impact on the results and the financial position of the Dalian Chuanghe.

The nature of the impending changes in accounting policy on adoption of the amendments to HKAS 1 is described below.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012.

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

HKFRS 13 Fair Value Measurement

Dalian Chuanghe has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and nonfinancial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements. HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Dalian Chuanghe has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

At the date of this report, the Dalian Chuanghe has not applied the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") that have been issued by the HKICPA but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRS 9	Financial Instruments[4]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKAS 19 (Amendments)	Employee Benefits[2]
HKAS 32 (Amendments)	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 *Effective for annual periods beginning on or after 1 January 2014*

2 *Effective for annual periods beginning on or after 1 July 2014*

3 *Effective for annual periods beginning on or after 1 January 2016*

4 *No mandatory effective date yet determined but is available for adoption*

5 *Effective for annual periods beginning on or after 1 July 2014 with limited exceptions*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The date when entities would be required to apply HKFRS 9 was previously stated at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced.

The director anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of Dalian Chuanghe's financial assets and financial liabilities (e.g. Dalian Chuanghe's available-for-sale investments may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). Regarding the Dalian Chuanghe's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 7 and HKAS 32 – Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The director anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Amendments to HKAS 36 – Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets

The amendments to HKAS 36 are to remove certain unintended disclosure requirements which may be introduced by the consequential amendments to HKAS 36 when HKFRS 13 was issued. Furthermore, these amendments require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. However, an entity may not apply those amendments in periods (including comparative periods) in which it does not also apply HKFRS 13.

The director anticipate that the application of these amendments to HKAS 36 will have no material impact on the Dalian Chuanghe's financial performance and positions.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The Investment Entities amendments apply to a particular class of business that qualify as investment entities. The term 'investment entity' refers to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds.

Under HKFRS 10, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information.

In response to this, the amendments provide an exception to the consolidation requirements in HKFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

The amendments are effective from 1 January 2014 with early adoption permitted in order to allow investment entities to apply the amendments at the same time they first apply the rest of HKFRS 10.

The director anticipate that the application of these amendments to HKFRS 10, HKFRS 12 and HKFRS 27 (2011) will have no material impact on the Dalian Chuanghe's financial performance and positions.

Amendments to HKAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

This relief has been introduced in response to legislative changes across many jurisdictions that would lead to the widespread novation of over-the-counter derivatives. These legislative changes were prompted by a G20 commitment to improve transparency and regulatory oversight of over-the-counter derivatives in an internationally consistent and non-discriminatory way.

Similar relief will be included in HKFRS 9.

The amendments will be effective for annual periods beginning on or after 1 January 2014 and applied retrospectively. Earlier application is permitted.

The director anticipate that the application of these amendments to HKAS 39 will have no material impact on the Dalian Chuanghe's financial performance and positions.

HK (IFRIC) – Int 21 Levies

HK (IFRIC) – Int 21 is an interpretation of HKAS 37 and addresses how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognise a liability to pay a levy. It clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. HK(IFRIC) – Int 21 is effective for annual periods beginning on or after 1 January 2014 with earlier application permitted.

Impairment of assets

Financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contracts, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Target Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of within 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Other assets

Internal and external sources of information are reviewed at each of reporting date to identify indications that other assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised no longer exists or may have decreased.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest company of assets that generate cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

– Reversal of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of comprehensive income in the year in which the reversals are recognised.

Related parties transactions

(i) A person, or a close member of that person's family, is related to the Dalian Chuanghe if that person:

(1) has control or joint control over the Dalian Chuanghe;

(2) has significant influence over the Dalian Chuanghe; or

(3) is a member of the key management personnel of the Dalian Chuanghe or of a parent of the Dalian Chuanghe.

(ii) An entity is related to the Dalian Chuanghe if any of the following conditions applies:

(1) the entity and the Dalian Chuanghe are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).

(3) both entities are joint ventures of the same third party.

(4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) the entity is a post-employment benefit plan for the benefit of employees of either the Dalian Chuanghe or an entity related to the Dalian Chuanghe.

(6) the entity is controlled or jointly controlled by a person identified in (i).

(7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional costs of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

	Estimated useful lives
Motor vehicles	4 years
Furniture, fixtures and office equipment	3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its sue or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss and comprehensive income in the year the asset is derecognised is the different between the net sales proceeds and the carrying amount of the relevant asset.

Financial instruments

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including other receivables, bank balances and cash, and short-term loan receivables) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Dalian Chuanghe's own equity instruments is recognised and deducted directly in equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Dalian Chuanghe's own equity instruments.

Other financial liabilities

Other financial liabilities (including accruals and other payables, amount due to a director and amount due to shareholder are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Properties

Properties under development for sale

Properties under development for sale are included in properties for sale at the lower of cost and net realizable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion.

Stocks of completed properties for sale

Completed properties remaining unsold at year end are stated at the lower of cost and net realisable value.

Cost is determined by apportionment of the total land and development costs attributable to the unsold properties.

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the year end date, or by management estimates based on prevailing market conditions.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Dalian Chuanghe's cash management.

For the purpose of the combined statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted to use.

Employee benefits

Pension schemes

The Dalian Chuanghe operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statements of profit or loss and comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Dalian Chuanghe in an independently administered fund. The Dalian Chuanghe's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Dalian Chuanghe's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of its payroll costs to the central pension schemes. The contributions are charged to the statements of profit or loss and comprehensive income as they become payable in accordance with the rules of the central pension schemes.

Other benefits

The Dalian Chuanghe contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Dalian Chuanghe are expensed as incurred. The Dalian Chuanghe has no further obligations for benefits for their qualified employees under these plans.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Dalian Chuanghe and when the revenue can be measured reliably, on the following bases:

(a) from the sale of properties, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Dalian Chuanghe maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Dalian Chuanghe has a present obligation (legal or constructive) as a result of a past event, it is probable that the Dalian Chuanghe will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Income tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Dalian Chuanghe's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Dalian Chuanghe is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Dalian Chuanghe expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting financial statements, the assets and liabilities of the Dalian Chuanghe's foreign operations are translated into the presentation currency of the Dalian Chuanghe (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Dalian Chuanghe's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Target Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Dalian Chuanghe losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Dalian Chuanghe losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4. Significant accounting estimates

The preparation of the Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(1) Impairment of other receivables

Impairment of other receivables is made based on an assessment of the recoverability of other receivables. The identification of doubtful debts requires management's judgment and estimates. Provision is made when there is objective evidence that the Dalian Chuanghe will not be able to collect the debts. Where the actual outcome or further expectation is different from the original estimate, such differences will impact the carrying value of the receivables, and the amount of doubtful debt expenses or write-back of provision for trade receivables in the period in which such estimate has been changed.

(2) Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in Note 3: Impairment of non-financial assets other than goodwill. The recoverable amount of an asset, or, where appropriate, the cash-generating unit to which it belongs, is calculated as the higher of its fair value less costs to sell and value in use. Estimating the value in use requires the Dalian Chuanghe to estimate future cash flows from the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

(3) *Useful lives and residual values of items of property, plant and equipment*

In determining the useful lives and residual values of items of property, plant and equipment, the Dalian Chuanghe has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Dalian Chuanghe with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at each financial year and date based on changes in circumstances.

(4) *Net realisable value of properties under development*

Net realisable value of properties under development is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of similar nature which could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at each reporting date.

(5) *Income tax provisions*

Significant judgment is required in determining the provision for corporate income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination in made.

5. Operating segment information

Information reported to the Board of Directors of the Dalian Chuanghe, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

The Dalian Chuanghe currently operates in one business segment in the properties development in the PRC. A single management team reports to the chief operating decision makers who comprehensively manage the entire business. The reportable operating results report to the chief operating decision makers are the net profit of the Dalian Chuanghe and the reportable assets and liabilities report to the chief operating decision makers are the Dalian Chuanghe's assets and liabilities.

Geographical information

The Dalian Chuanghe only operates in the PRC. The non-current assets of the Dalian Chuanghe are all located in the PRC in the year ended 31 December 2013 and 2012.

6. Other income and gains

	From 1 January 2013 to 31 December 2013	**From 20 December 2012 to 31 December 2012**
	HK$'000	*HK$'000*
Interest income	4	–

7. Finance costs

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Interest on amount due to a shareholder and director wholly repayable within five years	8,541	–

8. Loss before taxation

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Staff costs:		
Employee benefits expense (including director's remuneration) *(Note 9)*		
Salaries and allowance	303	–
Pension scheme contributions	96	–
	399	–
Depreciation	118	–
Auditors' remuneration	–	–

9. Directors' and key management personnel emoluments

(a) Director's remuneration

Pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, the aggregate amounts of emoluments paid by the company now comprising the director's of the Dalian Chuanghe during the Relevant Periods are as follows:

	From 1 January 2013 to 31 December 2013	**From 20 December 2012 to 31 December 2012**
	HK$'000	*HK$'000*
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	–	–
Pension scheme contribution	–	–
	–	–

	Fees	**Salaries, bonuses allowances and benefits in kind**	**Total remuneration**
	HK$'000	*HK$'000*	*HK$'000*
From 1 January 2013 to 31 December 2013			
Director:			
Luan Tao	–	–	–
	–	–	–

	Fees	Salaries, bonuses allowances and benefits in kind	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*
From 20 December 2012 to 31 December 2012			
Director:			
Luan Tao	–	–	–
	–	–	–

(b) ***Senior management emoluments and five highest paid employees***

Of the five individuals with highest emoluments, Luan Tao is the director of the Dalian Chuanghe for the year ended 31 December 2012 and 2013. The emoluments in respect of the other than director is as follow:

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Director	–	–
Non-directors	161	–
	161	–

Details of the remuneration of the above non-director, highest paid employees during the Relevant Period are as follows:

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	161	–
Pension scheme contribution	65	–
	226	–

The pension scheme contributions represented the Dalian Chuanghe's statutory contributions to a defined contribution pension scheme organised by the PRC government and were determined based on certain percentage of the salaries of the employees.

The emoluments of the senior management of the Dalian Chuanghe are within the following band:

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
Nil to HK$1,000,000	5	–

During the Relevant Period, no emoluments were paid by the Dalian Chuanghe to the non-director, highest paid employees as an inducement to join or upon joining the Dalian Chuanghe or as compensation for loss of office. None of the non-director, highest paid employees waived or agreed to waive any emoluments during the Relevant Period.

10. Income tax

The Dalian Chuanghe is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Dalian Chuanghe are domiciled and operate.

The PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the Dalian Chuanghe with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Dalian Chuanghe is 25%.

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Current tax for the year PRC enterprise income tax	–	–

The reconciliation between the income tax expense and the loss before tax multiplied by the PRC enterprise income tax rate is as follows:

	From 1 January 2013 to 31 December 2013	From 20 December 2012 to 31 December 2012
	HK$'000	*HK$'000*
Loss before taxation	(12,014)	–
Tax at the PRC enterprise income tax rate of 25%	(3,004)	–
Tax effect of loss not recognised	3,004	–
Income tax expense	–	–

11. Dividends

The Director of the Dalian Chuanghe does not recommend the payment of any dividend in respect of the Relevant periods.

12. Property, plant and equipment

	Motor vehicles *HK$'000*	Furniture, Fixtures and office equipment *HK$'000*	Total *HK$'000*
At costs			
At 20 December 2012 (Date of incorporation), 31 December 2012, and 1 January 2013	–	–	–
Additions	718	60	778
At 31 December 2013	718	60	778
Accumulated depreciation			
At 20 December 2012 (Date of incorporation), 31 December 2012, and 1 January 2013	–	–	–
Charge for the year	112	6	118
At 31 December 2013	112	6	118
Net book value			
At 31 December 2013	606	54	660
At 31 December 2012	–	–	–

All of the property, plant and equipment owned by the Dalian Chuanghe are located in the PRC.

As at 31 December 2013, no property, plant and equipment of the Dalian Chuanghe had been pledged to secure the interest-bearing bank loan granted to the Dalian Chuanghe.

13. Properties under development

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Properties under development	246,957	–

Properties under development amounting to approximately HK$246,957,000 (2012: Nil) are expected to be recovered after twelve months.

As at 31 December 2013, the carrying amount of land use right included in properties under development of approximately HK$205,401,000 (2012: nil) were pledged to bank for the Dalian Chuanghe's bank facilities, details of which are set out in note 22.

14. Prepayments, deposits and other receivables

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Deposit paid	634	–
Other deposits	251	–
Other receivables *(Note a)*	187,708	–
Prepayments to subcontractors	16,731	–
	205,324	–

Note:

(a) Other receivables represented the unsecured, interest free loans to two independent third parties. In accordance with the agreements, the other receivables will be fully recovered in April and May 2014 respectively.

At 31 December 2013, the net balance of prepayments, deposits and other receivables was neither past due nor impaired. Financial assets included in the above balance relate to receivables for which there was no recent history of default. Up to the date of 29 April 2014, the amount of approximately RMB45,000,000 has been recovered. According to the loan agreement, the interest free loan will be fully recovered in May 2014.

15. Amounts due from related companies

	Maximum balance for the year/ period	As at 31 December	
	HK$'000	*HK$'000*	*HK$'000*
Chuangda Properties (Dalian) Company Limited* (創達地產(大連)有限公司)	1,268	1,268	–
Dalian Shunhao Landmark Company Limited* (大連順浩置業有限公司)	6,007	6,007	–
		7,275	–

The amounts due from related companies are unsecured, interest free and recoverable on demand.

16. Cash and bank balances

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Cash and bank balances	1,501	–

Notes:

(a) As at 31 December 2013, the Dalian Chuanghe's cash and bank balances denominated in Renminbi ("RMB") amounted to approximately HK$1,501,000 (2012: Nil). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Dalian Chuanghe is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

17. Accruals and other payables

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Accruals and other payables	247	–
Accrued salaries	218	–
Other tax payable	6	–
	471	–

18. Amount due to a director

The amount due to a director is unsecured, bearing 20% interest per annum and repayable in December 2014.

19. Amount due to a shareholder

The amount of approximately HK$219,931,000 due to a shareholder is unsecured, bearing 24% interest per annum and repayable in July 2014.

The remaining balance is unsecured, interest free and repayable on demand.

20. Share capital

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Authorised:		
Registered capital	205,000	205,000
Issued and fully paid:		
20 December 2012 (Date of incorporation) and 1 January 2013	–	–
Add: Paid up capital during the year/period	205,000	–
At the end of the year/period	205,000	–

21. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of Relevant Periods are as follows:

Financial assets

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Loan and receivables:		
Deposit and other receivables	188,593	–
Amounts due from related companies	7,275	–
Cash and cash equivalents	1,501	–
	197,369	–

Financial liabilities

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
At amortise cost:		
Accruals and other payables	471	–
Amount due to a director	5,851	–
Amount due to a shareholder	257,125	–
	263,447	–

Financial risk management objective and policies

The Dalian Chuanghe's principal financial instruments comprise, amount due to a director and amount due to a shareholder. The main purpose of these financial instruments is to raise finance for the Dalian Chuanghe's operations. The Dalian Chuanghe has various other financial assets and liabilities such as other receivables and other payables, which arise directly from its operations.

The carrying amounts of the Dalian Chuanghe's financial instruments approximated to their fair values at the end of each of the reporting periods. Fair value estimates are made on a specific point in time and based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The main risks arising from the Dalian Chuanghe's financial instruments are business risk, interest rate risk, credit risk and liquidity risk. The Dalian Chuanghe does not have any written risk management policies and guidelines. The Dalian Chuanghe applies prudent strategies to its risk management. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Business risk

The Dalian Chuanghe conducts its operations in Mainland China, and accordingly, it is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, the influence of national authorities over pricing and the financing regulations in the chemical industry.

Interest rate risk

Management does not anticipate any significant impact resulting from the changes in interest rates because most of the Dalian Chuanghe's loan as at the end of each of the reporting periods were at fixed interest rates which have no significant impact on cash flow interest rate risk.

Foreign currency risk

The Dalian Chuanghe's businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Dalian Chuanghe's assets and liabilities are denominated in RMB. Fluctuations of the Exchange rates of RMB against foreign currencies do not have significant effects on the Dalian Chuanghe's results. The Dalian Chuanghe has not hedged its foreign exchange rate risk.

A reasonably possible change of 10% in the exchange rate between the Hong Kong dollar and RMB would have no material impact on the Dalian Chuanghe's profit or loss during the Relevant Periods and there would be no material impact on the Dalian Chuanghe's equity.

Credit risk

The Dalian Chuanghe trades only with recognised and creditworthy third parties. It is the Dalian Chuanghe's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Dalian Chuanghe's exposure to bad debts is not significant.

The credit risk of the Dalian Chuanghe's other financial assets, which comprise cash and cash equivalents, prepayments, deposits and other receivable, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Dalian Chuanghe trades only with recognised and creditworthy third parties, there is no requirement for collateral. There is no significant concentration of credit risk within the Dalian Chuanghe.

Liquidity risk

The Dalian Chuanghe monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of the Dalian Chuanghe's financial assets and projected cash flows from operations.

The maturity profile of the Dalian Chuanghe's financial liabilities at the end of each of the reporting periods, based on the contracted undiscounted payments, is as follows:

At 31 December 2013

	Weighted average interest rate	On demand or less than 1 year	Over 1 year	Total undiscounted cash flow	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payable	–	471	–	471	471
Amount due to a director	20	5,851	–	5,851	5,851
Amount due to a shareholder	24	257,125	–	257,125	257,125
		263,447	–	263,447	263,447

At 31 December 2012

	Weighted average interest rate	On demand or less than 1 year	Over 1 year	Total undiscounted cash flow	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payable	–	–	–	–	–
Amount due to a director	–	–	–	–	–
Amount due to a shareholder	–	–	–	–	–
		–	–	–	–

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

(a) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

(b) the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an option-based derivative, the fair value is estimated using option pricing model.

The director of the Dalian Chuanghe consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate to their fair values.

Fair value measurements recognised in the statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, companyed into Levels 1 to 3 based on the degree to which the fair value is observable:

– Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Dalian Chuanghe has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

Capital risk management

The primary objective of the Dalian Chuanghe's capital management is to safeguard the Dalian Chuanghe's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Dalian Chuanghe manages the capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Dalian Chuanghe may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

The Dalian Chuanghe monitors capital to ensure that entities in the Dalian Chuanghe will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Dalian Chuanghe overall strategy remains unchanged during the Track Record Period.

The capital structure of the Dalian Chuanghe consists of debt (bank borrowings, amount due to a director and amount due to the immediate holding company), cash and bank balances and equity attributable to owners of the Dalian Chuanghe, comprising issued share capital and reserves.

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Debt *(Note (a))*	262,976	–
Less: Cash and bank balances	(1,501)	–
Net debt	261,475	–
Equity *(Note (b))*	198,270	–
Gearing ratio	132%	–

Notes:

(a) Debts represented by bank borrowings, amount due to a director and amount due to a shareholder.

(b) Equity includes all capital and reserves attributable to owners of Dalian Chuanghe.

22. Pledged assets

Asset with the following amount has been pledged to secure banking facilities grant to the Dalian Chuanghe.

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Land use right included in properties under development	205,401,000	–

23. Material related party transactions

Save as disclosed elsewhere in the financial statement, the Dalian Chuanghe has material balances with related parties, director and shareholder as at 31 December 2013 (2012: Nil). The information are set out in note 9, 15, 18 and 19.

24. Commitments

Capital commitments outstanding at 31 December 2013 and 2012 not provide for in the financial statements were as follows:

	As at 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
– Properties under development	62,189	–

25. Subsequent events

There was no significant event took place subsequent to the 31 December 2013.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Dalian Chuanghe in respect of any period subsequent to 31 December 2013.

Yours faithfully
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Shek Lui
Practising Certificate Number: P05895
Hong Kong

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP AFTER THE COMPLETION OF ACQUISITION

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared in accordance with the rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Acquisition as if the Acquisition took place on 30 September 2013 for the consolidated statement of financial position.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group are prepared based on the unaudited consolidated statement of financial position of the Group as at 30 September 2013 as set out in the Company's interim results announcement dated 28 November 2013, the audited statement of financial position of Dalian Chuanghe as at 31 December 2013, as set out in Appendix II to the Circular, after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the transaction; and (ii) factually supportable.

The accompanying Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained has the Acquisition been completed on 30 September 2013, nor purport to predict the Enlarged Group's future financial position of operations.

The Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the historical financial information on the Group as set out in Appendix I and other financial information included elsewhere in the Circular.

The Unaudited Pro Forma Financial Information on the Enlarged Group has been prepared by the directors of the Company for illustrative purposes only and because of its nature, it may not give a true picture of financial position of the Enlarged Group following completion of the Acquisition.

(I) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

The following is the unaudited pro forma consolidated statement of financial position of the Enlarged Group, assuming that the Acquisition has been completed on 30 September 2013. The unaudited pro forma consolidated statement of financial position is based on the unaudited consolidated statement of financial position of the Group as at 30 September 2013 as set out in Company's interim result announcement dated 28 November 2013, the audited statement of financial position of Dalian Chuanghe as at 31 December 2013 as set out in Appendix II to the Circular, after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the transactions; and (ii) factually supportable.

	Unaudited consolidated statement of financial position of the Group as at 30 September 2013	**Audited statement of financial position of the Dalian Chuanghe as at 31 December 2013**	**Pro forma Adjustment 1**	**Pro forma Adjustment 2**		**Unaudited Pro forma Consolidated Statement of Financial Position of the Enlarged Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Non-current assets						
Property, plant and equipment	116,790	660				117,450
Investment properties	–	–				–
Prepaid lease payments	3,953	–				3,953
Intangible assets	536,881	–				536,881
	657,624	660				658,284
Current assets						
Inventories	15,175	–				15,175
Properties under development	–	246,957	129,728		*2*	376,685
Trade and bills receivables	40,322	–				40,322
Prepayments, deposits and other receivables	15,000	205,324				220,324
Amount due from a non-controlling shareholder	585	–				585
Amounts due from related companies	–	7,275				7,275
Tax recoverable	1,160	–				1,160

	Unaudited consolidated statement of financial position of the Group as at 30 September 2013	Audited statement of financial position of the Dalian Chuanghe as at 31 December 2013	Pro forma Adjustment 1	Pro forma Adjustment 2	Notes	Unaudited Pro forma Consolidated Statement of Financial Position of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Financial assets at fair value through profit or loss	15,976	–				15,976
Bank balances and cash	43,371	1,501	(450,000)	(1,500)	*4, 6*	(406,628)
	131,589	461,057				270,874
Current liabilities						
Trade payables	11,386	–				11,386
Other payables and accruals	5,396	471				5,867
Amount due to a non-controlling shareholder	1,157	–				1,157
Amount due to a director	–	5,851				5,851
Deferred tax liability			32,432		*5*	32,432
Bank borrowings	60,660	–				60,660
Amount due to a shareholder		257,125	(219,931)		*3*	37,194
Short-term interest bearing borrowings	3,033	–				3,033
	81,632	263,447				157,580
Net current assets	49,957	197,610				113,294
Total assets less current liabilities	707,581	198,270				771,578

Notes:

1. Details of negative goodwill arising from the Acquisition are as below:

   Assumed fair value of the consideration on 31 December 2013

	HK$'000
Consideration – Cash	450,000
Less: Fair value of net identifiable assets acquired *(Note 7)*	327,998
Less: Aggregate loan	219,931
Add: Deferred tax liabilities arising on asset revaluation	32,432
Negative goodwill charge into profit or loss	(65,497)

2. The pro forma adjustment of approximately HK$129,728,000 represented the fair value gain of the land of the properties under development held by Dalian Chuanghe as if the acquisition is completed on 31 December 2013.

3. The pro forma adjustment represented the elimination of the Aggregate Loan of approximately HK$219,931,000 between the Group and Dalian Chunaghe after completion of the acquisition.

4. Represented adjustments on the acquisition of Dalian Chunaghe by cash consideration of HK$450,000,000. The amounts were financed by placing of the Tranche 1 and Tranche 2 of convertible notes of approximately HK$184,200,000 and HK$348,200,000 took place on 24 October 2013 and 15 November 2013 respectively.

5. The pro forma adjustment of approximately HK$32,432,000, represented the deferred tax liabilities arising from increase in fair value of the Properties under development at the PRC Enterprises Income Tax rate of 25%.

6. Adjustment of cash payment of approximately HK$1,500,000 to reflect the legal and professional fee incurred related to the Acquisition.

7. Pro forma fair values of assets and liabilities of Dalian Chuanghe acquired:

	HK$
Property, plant and equipment	660
Properties under development *(Note i)*	376,685
Prepayments, deposits and other receivables	205,324
Amounts due from related companies	7,275
Cash and cash equivalents	1,501
Accruals and other	(471)
Amount due to director	(5,851)
Amount due to a Shareholder	(257,125)
	327,998

Note i: The fair value of the properties under development was performed by B.I. Appraisals Limited, an independent qualified valuer not connected to the Group, using the direct comparison method and the valuation has been carried out in accordance with The HKIS Valuation Standards 2012 Edition issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices. As at 31 December 2013, the estimate fair value of the properties under development was approximately HK$376,685,000.

Note ii: The pro forma fair value of the other assets and liabilities of Dalian Chuanghe is assumed to be the same as their respective carrying amounts as at 31 December 2013.

II. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of a report, prepared for the sole purpose of incorporation in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

26 May 2014

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN AN INVESTMENT CIRCULAR

The Board of Directors
Unit 04, 34/F,
Bank of America Tower,
12 Harcort Road,
Central,
Hong Kong

We have completed our assurance engagement to report on the compilation of pro forma financial information of Asia Resources Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma statement of financial position as at 31 December 2013 and related notes as set out on pages 82 to 86 of the circular issued by the Company dated 26 May 2014 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page 82 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of all the shares of Utmost Creation Holdings Limited on the Group's audited interim financial position as at 30 September 2013 (the "Acquisition") as if the Acquisition had taken place at 30 September 2013. As part of this process, information about the Group's unaudited condensed financial position has been extracted by the Directors from the Group's condensed consolidated financial information for the six months ended 30 September, 2013 as set out in the Company's interim results announcement dated 28 November 2013.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) the basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Shek Lui
Practising Certificate Number: P05895
Hong Kong

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from B.I. Appraisals Limited, an independent property valuer, in connection with its opinion of market value of the Target Land held by the Target Company in the PRC as at 28 February 2014.

B.I.
To Know Your Strength Better

B. I. Appraisals Limited
保柏國際評估有限公司
Registered Professional Surveyors, Valuers & Property Consultants
Unit 1301, 13/F, Tung Wai Commercial Building,
Nos.109-111 Gloucester Road, Wan Chai, Hong Kong
Tel: (852) 2127 7762 Fax: (852) 2137 9876
Email: info@biappraisals.com
Website: www.bigroupchina.com

26 May 2014

The Directors
Asia Resources Holdings Limited
Unit 04, 34th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Dear Sirs,

Re: The site for the proposed residential development known as 心田•佳苑 (Xin Tian • Jia Yuan) located at 北部區 (Beibu District), 金石灘 (Jinshitan), 金州新區 (Jinzhou New District), Dalian City, Liaoning Province, the People's Republic of China ("PRC")

In accordance with the instructions from Asia Resources Holdings Limited (hereinafter referred to as the "Company") for us to value the captioned property (hereinafter referred to as the "Property"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the Property as at 28 February 2014 (hereinafter referred to as the "Date of Valuation").

It is our understanding that this valuation document is to be used for reference purpose in relation to the possible acquisition that involves the Property. We further understand that our valuation and/or valuation report may subsequently be included in a circular to be issued by the Company regarding the proposed acquisition.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been carried out in accordance with The HKIS Valuation Standards 2012 Edition issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION ASSUMPTIONS

Our valuation is made on the assumption that the Property would be sold in the open market without the benefit of deferred term contracts, lease backs, joint ventures, management agreements, or any similar arrangements, which could serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or effecting a sale and no forced sale situation in any manner is assumed in valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

VALUATION METHODOLOGY

We have valued the Property, which is currently under development, in accordance with the latest development proposal provided to us using the direct comparison method, assuming that the Property is capable of being sold with the benefit of immediate vacant possession, and by making reference to comparable sales evidence as available in the relevant market. In addition, we have taken into consideration the construction costs that have already been expended and the outstanding construction costs that will be expended to complete the development to reflect the quality of the completed development.

It has always been accepted in our profession to adopt, as far as possible, the Direct Comparison Method, which is considered to be the best valuation method.

We noted during our site inspection that Jinzhou New District is one of the focus areas of urban development of Dalian City with quite a number of construction land parcels having been or being granted by the government, which provided comparable site transactions for the assessment of the value of the Property. Given that there are sufficient comparable transactions in the locality, which can assist us to arrive at an indication of value, we consider it is most appropriate to adopt the Direct Comparison Method in our valuation.

TITLE INVESTIGATION

We have been provided by the Company with copies of title documents and a legal opinion dated 3 April 2014 and a supplementary legal opinion dated 20 May 2014 both prepared by Wang Jing & Co., the Company's legal advisor on the PRC law (hereinafter referred to as the "PRC Legal Advisor"), regarding the title to and the interest in the Property. We have not inspected the original of the title documents to verify the ownership and to ascertain the existence of any amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only.

In the course of our valuation, we have relied on the advice given by the Company and the legal opinion of the PRC Legal Advisor regarding the title to and the interest in the Property. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title to the Property that is assumed to be good and marketable.

LIMITING CONDITIONS

We have inspected the exterior, and where possible, the interior of the Property on 24 February 2014. However, no structural survey has been made nor have any tests been carried out on any of the building services provided in the Property. We are, therefore, not able to report that the Property is free from rot, infestation or any other structural defects. Yet, in the course of our inspection, we did not note any serious defects.

We have not conducted any on-site measurement to verify the correctness of the site and floor areas of the Property but have assumed that the areas shown on the documents furnished to us are correct. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents provided to us by the Company and are therefore approximations only.

Moreover, we have not carried out any site investigations to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred in the event of any development.

We have relied to a considerable extent on the information provided and the advice given to us by the Company on such matters as planning approvals, statutory notices, easements, tenure, latest development proposal, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Property. We have not seen original planning consents and have assumed that the Property will be erected, occupied and used in accordance with such consents.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

Our valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

This report and each part of it is prepared and intended for the exclusive use of the Company for the purpose hereinbefore stated. In accepting this report, the Company expressly agrees not to use or rely upon this report or any part of it for any other purpose without obtaining our prior written consent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

REMARKS

We hereby confirm that we have neither present nor prospective interests in the Company, the Property, its owner or the value reported herein.

Our Valuation Certificate is hereby enclosed for your attention.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED
William C. K. Sham MRICS, MHKIS, MCIREA
Registered Professional Surveyor (G.P.)
China Real Estate Appraiser
Executive Director

Notes:

(1) Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 30 years' experience in the valuation of properties in Hong Kong and has over 15 years' experience in the valuation of properties in the PRC and the Asia Pacific regions.

(2) The Property was inspected by Mr. William C. K. Sham on 24 February 2014, the Executive Director of B.I. Appraisals Limited.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2014
The site for the proposed residential development known as 心田•佳苑 (Xin Tian • Jia Yuan) located at 北部區 (Beibu District), 金石灘 (Jinshitan), 金州新區 (Jinzhou New District), Dalian City, Liaoning Province, the PRC	The Property comprises two parcels of land, designated as Lot Nos. 05J01015 and 05J01016, with a total site area of approximately 111,642 sq.m. (1,201,714 sq.ft.). It is located on the northern side of Jinshitan No. 3 Road within Beibu District, Jinshitan, Jinzhou New District of Dalian City. The Property is planned to be developed by two phases into a residential complex, currently known as Jia Yuan, comprising various blocks of low to medium rise residential building with communal facilities and 1,385 car parking spaces. The total gross floor area of the proposed development is approximately 112,300 sq.m. (1,208,797 sq.ft.), which is inclusive of the area for the communal facilities of approximately 4,135 sq.m. (44,509 sq.ft.) but exclusive of the area for the basement car park of approximately 37,559 sq.m. (404,285 sq.ft.). Phase I of the proposed development is planned to have 21 blocks of 3 to 8-storey residential building having a total gross floor area of approximately 54,747.81 sq.m. (589,305 sq.ft.). The land use rights of the Property have been granted for residential use for a term due to expire on 12 December 2082.	Phase I of the Property is currently subject to construction works, whereas Phase II is pending for detail planning. It is expected that the proposed development will be fully completed in mid 2016.	RMB470,000,000

Notes:

(1) Pursuant to the Contract for Grant of State-owned Construction Land Use Rights (Contract No.: 大政地（金）出字〔2012〕95號 (Da Zheng Di (Jin) Chu Zi No. 〔2012〕95) dated 13 December 2012 entered into between 大連市國土資源和房屋局 (Dalian Municipal Stated-owned Land Resources and Housing Bureau) and 大連創和置地有限公司 (Dalian Chuanghe Landmark Co. Ltd., hereinafter referred to as "Dalian Chuanghe"), the land use rights of one of the two land parcels of the Property have been agreed to be granted to Dalian Chuanghe. Major conditions of the said contract are summarized as follows:

(a)	Lot no.	:	05J01015;
(b)	Site area of the lot	:	43,296 sq.m.;
(c)	Permitted use	:	Residential use;
(d)	Term of land use rights	:	70 years (and 40 years for ancillary commercial uses, subject to payment of additional land premium) commencing from the date of handing-over of the land parcel;
(e)	Land grant premium	:	RMB63,000,000;
(f)	Payment term	:	The land grant premium shall be paid in a lump sum on or before 20 December 2012;
(g)	Total gross floor area	:	Not less than 43,296 sq.m. and not more than 43,728 sq.m.;
(h)	Plot ratio	:	Not lower than 1.0 and not greater than 1.01;
(i)	Height of building	:	Not higher than 24 metres
(j)	Site coverage	:	Not greater than 30%;
(k)	Green land ratio	:	Not less than 30%;
(l)	Construction period	:	Construction shall commence on or before 1 June 2013 and shall be completed on or before 1 June 2015.

(2) Pursuant to the Contract for Grant of State-owned Construction Land Use Rights (Contract No.: 大政地（金）出字〔2012〕96號 (Da Zheng Di (Jin) Chu Zi No. 〔2012〕96) dated 13 December 2012 entered into between Dalian Municipal Stated-owned Land Resources and Housing Bureau and Dalian Chuanghe, the land use rights of the other land parcel of the Property have been agreed to be granted to Dalian Chuanghe. Major conditions of the said contract are summarized as follows:

(a)	Lot no.	:	05J01016;
(b)	Site area of the lot	:	68,346 sq.m.;
(c)	Permitted use	:	Residential use;
(d)	Term of land use rights	:	70 years (and 40 years for ancillary commercial uses, subject to payment of additional land premium) commencing from the date of handing-over of the land parcel;
(e)	Land grant premium	:	RMB99,000,000;
(f)	Payment term	:	The land grant premium shall be paid in a lump sum on or before 20 December 2012;
(g)	Total gross floor area	:	Not less than 68,346 sq.m. and not more than 69,029 sq.m.;
(h)	Plot ratio	:	Not lower than 1.0 and not greater than 1.01;
(i)	Height of building	:	Not higher than 24 metres
(j)	Site coverage	:	Not greater than 30%;
(k)	Green land ratio	:	Not less than 30%;
(l)	Construction period	:	Construction shall commence on or before 1 June 2013 and shall be completed on or before 1 June 2015.

(3) Pursuant to two Certificates of State-owned Land Use 大開金國用 (2013) 字第0017號 (Da Kai Jin Guo Yong (2013) Zi No. 0017) and 大開金國用 (2013) 字第0018號 (Da Kai Jin Guo Yong (2013) Zi No. 0018) both dated 27 February 2013 and issued by Dalian Municipal People's Government, the land use rights of the Property with a total site area of 111,642 sq.m. have been granted to Dalian Chuanghe for terms due to expire on 12 December 2082 for residential use.

(4) Pursuant to the Planning Permit for Construction Works 建字第210213201310167號 (Jian Zi No. 210213201310167) dated 9 October 2013 issued by 大連金州新區規劃建設局 (Dalian Jinzhou New District Planning Construction Bureau), the construction works for Blocks A01# to A21# of the subject development with a total gross floor area of 54,747.81 sq.m. (plot ratio area of 43,699.56 sq.m.) were in compliance with the planning requirements.

(5) Pursuant to the Commencement Permit for Construction Works No. 210206201312260301 dated 26 December 2013 issued by Dalian Jinzhou New District Planning Construction Bureau, the construction works for Blocks A01# to A21# of the subject development with a total gross floor area of 54,747.81 sq.m. were in compliance with the requirements for commencement and were approved to commence.

(6) Pursuant to two sets of Certificate of Real Estate Property Third-party Rights 大開抵他項(2013) 第0539號 and 第0540號 (Da Kai Di Ta Xiang (2013) No. 0539 and No. 0540) registered on 24 December 2013, the land use right of the Property is mortgaged to 渤海銀行股份有限公司北京分行 (Bohai Bank Co., Ltd Beijing Branch, hereinafter referred to as "Bohai Bank") for the aggregate mortgage amount of not exceeding RMB100,000,000.

(7) Pursuant to the Commodity House Pre-sale (Sale) Permit 大金房預（銷）許字第2014011號 (Da Jin Fang Yu (Xiao) Xu Zi No. 2014011）, dated April 2014 issued by 大連金州新區土地房屋局 (Dalian Jinzhou New District Land and Building Bureau), the pre-sale of Phase I of the subject development comprising 21 blocks of building with a total gross floor area of 54,747.81 sq.m. and a total saleable area of 42,541.5 sq.m. were approved.

(8) We have been advised that the Property was acquired in December 2012 at a total cost of approximately RMB170,000,000. We have been further advised that the total construction cost that have been expended in the development of the Property as at the Date of Valuation amounted to approximately RMB170,000,000 and the total outstanding construction costs that will be expended to complete the subject development was estimated to approximately RMB330,000,000.

(9) The estimated market value as if completed was reasonably stated at RMB1,007,000,000. Our valuation under "estimated market value as if completed" was valued by the direct comparison method by making reference to comparable sales evidence as available in the relevant market and on the assumption that the subject development would have been completed at the Date of Valuation according to the development proposal provided to us.

(10) For reference purpose, the market value of the Property as at 31 December 2013 was reasonably assessed at RMB297,000,000 by using the direct comparison method and having taken into consideration that the total construction cost that have been expended as at 31 December 2013, as advised by the Company, amounted to approximately RMB33,500,000.

(11) The opinion of the PRC Legal Advisor is summarized as follows:

a) Dalian Chuanghe has been duly incorporated and currently exists under PRC law and is registered and qualified to develop, build, operate and manage common residential building of the Property.

b) Dalian Chuanghe has settled the land grant premium in full and is in possession of the proper legal title to the land use right of the Property.

c) Dalian Chuanghe has obtained the required permits for the construction of Blocks A01# to A21# of Xintian Jiayuan Residential District（心田•佳苑住宅小區A01#-A21#樓）. The construction conforms to the usage of land as permitted in the Certificates of State-owned Land Use as well as the urban planning.

d) Under PRC law, in case that Dalian Chuanghe fails to complete the construction project before the date as agreed in the Contracts for Grant of State-owned Construction Land Use Rights, Dalian Chuanghe should be liable for breach of the contract and assume 0.1% of the total land grant consideration per day as the liquidated damages for such delay. The State-owned Land Use Certificates need to be renewed upon extension of construction period. If the land parcel left undeveloped to certain extent and therefore be defined as undeveloped land（閒置土地）, Dalian Chuanghe should assume administrative responsibility as well. If Dalian Chuanghe leaves the land parcel undeveloped for more than one year but less than two years, it should pay fines of up to 20% of the land grant consideration. If Dalian Chuanghe leaves the land undeveloped for more than two years, the local administration department of land resources can legally reentry the land parcel concerned.

e) Pursuant to the letter dated 26 February 2014 from Dalian Chuanghe to Dalian Municipal Stated-owned Land Resources and Housing Bureau regarding the commencement of construction of Phase I and Phase II, the delay in commencement of construction was resulted from the fact that the land delivered by government did not meet the conditions to develop. Subject to the authenticity of the letter and the fact that Dalian Chuanghe had duly submitted it to the relevant and competent authority, Dalian Chuanghe has applied for the extension of commencement of construction of Phase II. Yet Dalian Chuanghe should negotiate with Dalian Municipal State-owned Land Resources and Housing Bureau on the extension of the construction period and conclude an agreement for such extension.

f) Subject to the above-mentioned fact that the commencement of construction was delayed due to the fact that the land delivered by government does not meet the conditions for development, there should not be any legal impediment or difficulty for Dalian Chuanghe in obtaining the extension of the construction period.

g) With holding the approval for land use along with appended drawings and renewed Deal Conclusion Letter, as long as the planning conditions and site plan, the investigation report of the architecture design scheme and general drawing of the construction can be approved and an Environment Assessment Report is duly obtained, there should not be any legal impediment or difficulty for Dalian Chuanghe in obtaining the Planning Permit for Construction Works.

h) Upon obtaining the Planning Permit for Construction Works and satisfying the relevant requirements, there should not be any legal impediment or difficulty for Dalian Chuanghe in obtaining the Commencement Permit for Construction Works.

i) The mortgage agreement was duly concluded and a mortgage securing an entrusted loan in the amount of RMB100,000,000 in total has been legally established on the Property. However, as advised by Dalian Chuanghe, no loan has been actually withdrawn and that Dalian Chuanghe is in the process of releasing the mortgage as of 1 April 2014.

j) Dalian Chuanghe cannot transfer its land use right of the Property without the consent of Bohai Bank until the completion of deregistration of the mortgage.

k) Dalian Chuanghe confirm that except the mortgage mentioned above, which was released on 10 April 2014, there is no other mortgage being made on the Property up to the Latest Practicable Date.

(12) In the course of our valuation, we have relied on the information given by the Company and the aforesaid legal opinion and assume that:

(a) The extension of the construction period would have been granted by the relevant government authority;

(b) The Planning Permit for Construction Works and the Commencement Permit for Construction Works for Phase II would have been obtained without onerous delay that might affect the construction schedule; and

(c) The proposed development would be completed in mid 2016 as scheduled.

(13) The status of title and grant of major approvals, consents or licences in accordance with the information provided by the Group are as fo1lows:

Contract for Grant of State-owned Construction Land Use Rights	Signed
Certificate of State-owned Land Use	Obtained
Planning Permit for Construction Works (Phase I only)	Obtained
Commencement Permit for Construction Works (Phase I only)	Obtained
Commodity House Pre-sale (Sale) Permit (Phase I only)	Obtained

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, were as follows:

Long Position in the Shares ad in options granted pursuant to the share option scheme of the Company ("Share Option Scheme"):

Name of director	Personal Interests	No. of Shares held through controlled corporation	No. of Shares to be allotted and issued upon exercise in full the options under the Share Option Scheme	Total No. of Shares	Approximate percentage of shareholding
Chim Kim Lun, Ricky	–	–	1,400,000	1,400,000	0.09%
Cheung Kai Kwong *(Note 1)*	–	3,200,000	400,000	3,600,000	0.23%
Yeung Yiu Bong, Anthony *(Note 2)*	–	840,000	400,000	1,240,000	0.08%
Lin Chengdong	3,200,000	–	–	3,200,000	0.20%
Tong Leung Sang	–	–	140,000	140,000	0.01%
Zhang Xianlin	–	–	140,000	140,000	0.01%
Lum Pak Sum	–	–	140,000	140,000	0.01%

Notes:

1. The Shares are registered in the name of Brave Admiral Limited, a company wholly-owned by Mr. Cheung Kai Kwong.

2. The Shares are registered in the name of Fieldton Holdings Limited, a company wholly-owned by Mr. Yeung Yiu Bong, Anthony.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a letter of appointment with the Company. They are not appointed for a specific term except that they are subject to retirement and re-election at the annual general meeting in accordance with the provisions of the Bye-laws of the Company.

Each of the non-executive Directors, including independent non-executive Directors, is appointed for a term of three years and subject to retirement by rotation at the annual general meeting in accordance with the provisions of the Bye-laws of the Company.

According to the Company's Bye-laws, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting; and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Enlarged Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Enlarged Group save and except for the previously announced proceedings HCA 1265/2011 against the Company's subsidiary Infinite Nature Limited details of which was disclosed in the Company's Announcement dated 19 September 2011. 2nd Case Management Conference of this action was heard on 3 April 2014 and adjourned to 23 October 2014 for hearing of the 3rd Case Management Conference. Counsel Advice prepared by Senior Counsel Mr. Ronny Wong and Junior Counsel Mr. Alan Yung, which is positive and favourable to the Company, has been obtained.

5. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors and their respective associates had interests in any business which competes or may compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 March 2013, being the date to which the latest published audited consolidated financial statements of the Company were made up.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group.

7. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Enlarged Group within the two years immediately preceding the date of this circular and are material:

(a) The Company and Bestime Systems Limited (the "1st Plaintiff"), an indirect wholly-owned subsidiary of the Company, were plaintiffs (the "Plaintiffs"), and Zhou Yu Kang (the "1st Defendant") and China Culture & Tourism Investments Limited, a company whose entire issued share capital is owned by Zhou Yu Kang, were sued as defendants (the "Defendants") under a writ of summons ("Writ") issued by the Plaintiffs on 16 April 2012 at the High Court of Hong Kong. On 3 August 2012, the Plaintiffs and the Defendants entered into a settlement agreement (the "Settlement Agreement") pursuant to which the Plaintiffs and the Defendants agreed to settle the claim under the Writ. Pursuant to the Settlement Agreement, the Defendants should jointly and severally repay the outstanding balance of HK$63,999,751 owed by the Defendants to the Plaintiffs which is the subject matter of the claim under the Writ (the "Outstanding Balance") to the Company. Such repayment shall take effect by (i) the 1st Plaintiff and the 1st Defendant entering into a share transfer agreement (the "Share Transfer Agreement") so that the 1st Defendant should transfer to the 1st Plaintiff 50,000 shares, representing the entire issued share capital of Conmet International Real Estate Limited (the "Target Company"); and (ii) the repayment of the remaining of the Outstanding Balance, in the amount of HK$23,012,097, by the

1st Defendant to the Company within 24 months from the date of the Share Transfer Agreement. The Target Company owned the land use rights of properties consisting of 1 unit for commercial use, 1 shop premises and 13 carport spaces in Hangzhou (the "Properties"). In consideration of the Defendants agreeing to repay the Outstanding Balance, the Company and the 1st Plaintiff jointly agreed (i) to withdraw the claim under the Writ against the Defendants; and (ii) the 1st Plaintiff should return the share certificate in respect of the 3 issued shares in Skyyield Holdings Limited to the 1st Defendant which was sold by the 1st Plaintiff to the 1st Defendant under the sale and purchase agreement dated 12 December 2007. Please refer to the Company's circular issued on 12 September 2012 for details.

(b) On 3 August 2012, the 1st Plaintiff and the 1st Defendant entered into the Share Transfer Agreement. Please refer to the Company's circular issued on 12 September 2012 for details.

(c) As additional time was required for fulfilment of the respective conditions precedent set out in each of the Share Transfer Agreement and the Settlement Agreement, on 30 November 2012, a 1st supplemental agreement was entered into between the 1st Plaintiff and the 1st Defendant in relation to the Share Transfer Agreement, and a 2nd supplemental agreement was entered into between the Plaintiffs and the Defendants in relation to the Settlement Agreement, pursuant to which the respective parties to the Share Transfer Agreement and the Settlement Agreement agreed to extend the latest date for fulfilment of the conditions precedent to each of the Share Transfer Agreement and the Settlement Agreement to on or before 31 January 2013 or such later date as might be agreed between the respective parties to the Share Transfer Agreement or the Settlement Agreement. All other terms of the Share Transfer Agreement and the Settlement Agreement remained unchanged. Please refer to the Company's announcement issued on 30 November 2012 for details.

(d) On 12 July 2013, the Company and Orient Securities Limited entered into a placing agreement, pursuant to which Orient Securities Limited had conditionally agreed to place, on a best effort basis, up to 30,772,661 new Shares to not less than six placees at a price of HK$0.60 per placing Share within a period commencing from the date of the agreement and ending on 26 July 2013. Orient Securities Limited would receive a commission of HK$450,000 in case of full placement, or pro-rata of the successful placement, for which it would have procured placees to subscribe. Please refer to the Company's announcement issued on 12 July 2013 for details.

(e) On 15 August 2013, the Company and Kingston Securities Limited entered into a placing agreement, pursuant to which Kingston Securities Limited agreed to procure, on a best effort basis, independent placees to subscribe in cash for the convertible notes of up to an aggregate principal amount of HK$535,500,000 at the issue price of 100% of the principal amount of the convertible notes. The principal amount of HK$535,500,000 comprised the tranche 1 notes with the principal amount of HK$185,500,000 and the tranche 2 notes with the principal amount of HK$350,000,000. The tranche 1 notes should accrue no interest. The Tranche 2 Notes should bear interest at a rate of 5% per annum from the date of issue payable semi-annually in arrears. The initial conversion price was HK$0.35 per conversion Share (subject to adjustment). The maximum gross proceeds from the placing of the convertible notes in full was HK$535,500,000 and maximum net proceeds from the placing of the convertible notes (after deducting the commission and other related expenses) was estimated to be approximately HK$532,400,000. Please refer to the Company's announcement issued on 15 August 2013 for details.

(f) On 13 November 2013, Continental Joy Limited, a wholly-owned subsidiary of the Company as purchaser, entered into an agreement with Neo Fame Limited as vendor (the entire issued shares of which is legally owned by Lin Junbo) and Lin Junbo, Lin Yujuan and Lin Yiting as guarantors pursuant to which the purchaser conditionally agreed to acquire from the vendor the entire issued share capital of Gain Flourish Holdings Ltd. 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. Immediately upon completion of the corporate reorganisation, Gain Flourish Holdings Ltd. would indirectly hold and own the entire equity interests of Guangzhou Zhongzhan Investment Holdings Company Limited* (廣州市中展投資控股有限公司) which was granted the land use rights of the parcels of land located at Zengcheng, Guangzhou, PRC which had a total site area of 49,084.62 square meters and was permitted for residential and commercial use. Please refer to the Company's announcement issued on 13 November 2013 for details.

(g) On 19 February 2014, Continental Joy Limited gave a written notice to Neo Fame Limited and Lin Junbo, Lin Yujuan and Lin Yiting to terminate the share purchase agreement entered into on 13 November 2013 and to demand the refund by Neo Fame Limited of the refundable deposit of RMB80,000,000. Please refer to the Company's announcement issued on 19 February 2014 for details.

(h) On 11 March 2014, the Purchaser, the Vendor and the Guarantor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares and the Vendor and the Guarantor have conditionally agreed to sell the Aggregate Loans, at a consideration of HK$450 million (subject to deduction as mentioned in the paragraph headed "Consideration of the Agreement" in "Letter from the Board" of this circular), which will be satisfied in cash. As at the Latest Practicable Date, the Sale Shares represented the entire issued share capital of the Target Company and the Aggregate Loans represented aggregate amounts due from Target Company to the Vendor and outstanding as at Completion and the aggregate amounts due from Dalian Chuanghe to the Guarantor (or his nominee) and outstanding as at Completion. Please refer to the "Letter from the Board" of this circular for details.

(i) On 8 March 2014, Best Moral entered into an agreement with Mr. Ma pursuant to which Mr. Ma agreed to sell and Best Moral agreed to purchase the entire equity interest in Dalian Chuanghe for a consideration of HK$10,000,000.

(j) Great Wall Securities Company Limited*（長城證券有限責任公司）("Great Wall") as fund provider, Dalian Chuanghe as the borrower and China Bohai Bank Company Limited Beijing Branch*（渤海銀行股份有限公司北京分行）("Bohai Bank") as the agent bank entered into an undated agreement ("Entrusted Loan Agreement") pursuant to which Great Wall entrusted Bohai Bank to lend to Dalian Chuanghe amount(s) not exceeding RMB100,000,000 in total to be released on one or more occasions but not as a revolving loan. The interest of the loan under the Entrusted Loan Agreement is at the rate of 12.128% per annum.

(k) Dalian Chuanghe as the mortgagor and Bohai Bank as the mortgagee entered into an undated agreement pursuant to which Dalian Chuanghe mortgaged an unspecified property to Bohai Bank as a security for Dalian Chuanghe's due performance of its obligation under the Entrusted Loan Agreement.

(l) Dalian Chuanghe as the borrower and Shenzhen Changhongda Automobile Service Company Limited*（深圳長鴻達汽車服務有限公司）as the lender entered into an undated loan agreement pursuant to which the lender agreed to lend to the borrower a principal sum of RMB200,000,000 at an interest rate of 2% per month for the period from 10 January 2013 to 31 December 2014. Any late repayment of loan will be subject to an additional interest of 0.1% of the principal per day in arrears.

8. EXPERTS' QUALIFICATION AND CONSENTS

The following are the qualification of the experts who have given opinion or advice contained in this circular:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
B.I. Appraisals Limited	Independent property valuer
Wang Jing & Co.	Qualified lawyers practising the law of PRC

The above experts had given and had not withdrawn their written consent to the issue of this circular with the inclusion of their advice, report and the reference to their name in the form and context in which they appear.

As at the Latest Practicable Date, the above experts did not have any shareholding, direct or indirect, in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2013, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

9. MISCELLANEOUS

(a) Ms. Leung Lai Si, Rosena is the company secretary of the Company. She is a fellow member of both The Institute of Chartered Secretaries & Administrators and The Hong Kong Institute of Chartered Secretaries.

(b) The Hong Kong share registrar of the Company is Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Unit 04, 34/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION OF THE ENLARGED GROUP

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at Unit 04, 34/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company for the years ended 31 March 2012 and 2013 and the interim report of the Company for the six months ended 30 September 2013;

(c) the accountants' report on Dalian Chuanghe, the text of which is set out in Appendix II to this circular;

(d) the report regarding the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(e) the property valuation report regarding the Target Land, the text of which is set out in Appendix IV to this circular;

(f) the services contracts referred to in the paragraph headed "Directors' Service Contracts" in this appendix;

(g) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(h) a copy of each circular issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which have been issued since 31 March 2013, being the date of the latest published audited consolidated financial statements of the Company;

(i) the written consents referred to in the paragraph headed "Experts' qualifications and consents" in this appendix; and

(j) the legal opinion of Wang Jing & Co.

* *For identification purposes only*

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

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Asia Resources Holdings Limited (the "**Company**") will be held at Empire Room 1, 1/F, Empire Hotel Hong Kong • Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Wednesday, 11 June 2014 at 11:00 a.m., for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**

(a) the agreement (the "Agreement") entered into between King Lotus Limited, a wholly-owned subsidiary of the Company, as purchaser (the "Purchaser"), Rosy Yield Holdings Limited as vendor (the "Vendor") and Mr. Ma Chun Ming as guarantor (the "Guarantor") on 11 March 2014 pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the entire issued share capital of the Utmost Creation Holdings Limited (the "Target Company") and the Vendor and the Guarantor have conditionally agreed to sell the aggregate loans consisting of the aggregate amounts due from the Target Company to the Vendor and the aggregate amounts due from Dalian Chuanghe Landmark Co. Ltd.*（大連創和置地有限公司）to the Guarantor (or his nominee), a copy of the Agreement having been produced to this meeting marked "A" and signed by the chairman hereof for the purpose of identification, and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company be and is hereby authorised to do all such acts and things, including but not limited to: (i) execution of agreements, deeds and other documents, etc. and applying the common seal of the Company thereto where necessary; and (ii) agreeing to such variation or amendments of the Agreement, as he in his sole and absolute discretion deems necessary, desirable or expedient in the interest of the Company and its shareholders as a whole to execute, implement, give effect to and/or complete the Agreement and the transactions contemplated thereunder."

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

Hong Kong, 26 May 2014

* *For identification purposes only*

Notes:

1. Any member entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.

3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.

4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the branch share registrar of the Company at Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the SGM or any adjourned meeting.

5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the SGM convened and in such event, the form of proxy shall be deemed to be revoked.