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

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

VOLUNTARY ANNOUNCEMENT DISPOSAL OF A SUBSIDIARY

DISPOSAL

On 25 March 2015 (after trading hours), the Purchaser and the Vendor entered into a Sale and Purchase Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser agreed to acquire the Sale Share, being the entire issued share capital of the Target Company, at the consideration of HK\$1 million which will be payable in accordance with the terms of the Sale and Purchase Agreement. Upon Completion of Sale and Purchase Agreement, the Target Company will cease to be a subsidiary of the Company.

This announcement is published by the Company on a voluntary basis. In addition, the transactions contemplated under the Sale and Purchase Agreement does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.

* *For identification purposes only*

SALE AND PURCHASE AGREEMENT

Date

25 March 2015 (after trading hours)

Parties

- (1) China Value Assets Limited, being the Vendor and a wholly owned subsidiary of the Company; and
- (2) Tan Shaliang, being the Purchaser.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Purchaser is a merchant and an Independent Third Party.

Assets to be disposed of

The Sale Share, representing the entire issued share capital of the Target Company.

Consideration for the Sale and Purchase Agreement

The total Consideration payable by the Purchaser for the Sale Share is HK\$1 million. The Consideration shall be payable in full in cash to the Vendor or its nominee upon Completion.

The Consideration has been determined after arm's length negotiation between the Purchaser and the Vendor with reference to, among other things, (i) the valuation of Khuderbold, the holder of the Mining Licence in respect of the Target Iron Mine, of nil value provided by LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer, by adopting the asset-based approach; (ii) unaudited consolidated net liabilities value of the Target Group as at 31 March 2014; and (iii) the legal aspects of the Mining Licence and the prospects of the Target Group.

Having considered the above and the factors described in the paragraph headed "Reasons for and benefits of the Disposal" below, the Directors consider the Consideration to be fair and reasonable and on normal commercial terms and in the interest of the Shareholders as a whole.

Conditions Precedent to the Sale and Purchase Agreement

Completion is conditional upon:

- (1) if necessary, all approvals by government and regulatory authorities (including but not limited to the Stock Exchange), corporate approvals and consents for the transactions contemplated under the Sale and Purchase Agreement being obtained; and
- (2) in relation to the transaction contemplated in the Sale and Purchase Agreement, all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with and satisfied.

Conditions (1) and (2) are not capable of being waived by the Purchaser.

Completion

Completion shall take place within 5 business Days after (but excluding) the day on which all conditions precedent are fulfilled or waived (as the case may be) or such other date as may be agreed by the parties to the Sale and Purchase Agreement.

INFORMATION ABOUT THE TARGET COMPANY AND ITS SUBSIDIARIES

The principal scope of business of the Target Company is investment holding. As at the date of the Sale and Purchase Agreement, the Target Company owns the entire equity interest in Tian Sheng, an investment holding company, and Tian Sheng owns the entire equity interest in Khuderbold, a company which is principally engaged in exploration of iron ore and the holder of the Mining Licence for the Target Iron Mine. The Mining Licence allows Khuderbold to conduct mining activities in the Target Iron Mine for a period of 30 years. As mentioned in the annual report of the Company for the financial year ended 31 March 2013 and the subsequent financial reports of the Company, the Company has received a letter dated 24 December 2012 from the Ministry of Environment and Green Development of Mongolia notifying the Company that the Mining Licence is located within the protected area of Shudtiin River, forest front and the water source basin of Mongolia adopted by the resolution of the governor. As a result of the letter with respect to the resolution of the governor, the Company is prohibited from mining the Target Iron Mine.

Financial information

Certain financial information of the Target Group for the two years ended 31 March 2013 and 31 March 2014 are set out below.

	For the year ended 31 March 2013	For the year ended 31 March 2014
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(unaudited)	(unaudited)
Net loss before taxation	(186,406)	(1,332)
Net loss after taxation	(186,406)	(1,332)

The unaudited net liabilities value of the Target Group (including the loan due to the Vendor or the Company of approximately HK\$310.87 million) as at 31 March 2014 was approximately HK\$311.65 million. It was agreed that the outstanding amount of the loan due from the Target Group to the Vendor or the Company will be waived prior to the Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in manufacture and sales of pharmaceutical products; iron mining; securities and gold trading; and property investments.

In 2009, the Group has acquired the entire issued shares of Tian Sheng. The main asset of Tian Sheng is the entire equity interest in Khuderbold, which is principally engaged in conducting mining works with the use of the Mining Licence in the Target Iron Mine. Subsequent to the completion of the acquisition of Tian Sheng, the Company has undertaken works in the Target Iron Mine generally related to progressing it from an exploration operation to a mining operation. In early 2012, the Company engaged a geology survey team to conduct a feasibility study and environmental assessment report of exploration activity in the Target Iron Mine. Such studies and assessments were subsequently placed on hold when the Company received a letter from the Ministry of Environment and Green Development of Mongolia notifying the Company that the Target Iron Mine is located in a protected area.

The Company has subsequently sought advice and obtained legal opinions in each of 2012, 2013 and 2014 and on the basis of such legal opinions, the Directors consider that there is a real risk of cancellation of the Mining Licence in the future. Further, taking into account the net liabilities of the Target Group, the recent valuation report of Khuderbold issued by an independent professional valuer which continuously concluded that the fair value of the entire equity interest of Khuderbold is nil, and the annual operating or maintenance cost of the Target Group of approximately HK\$1.5 million per year, the Directors consider that the Disposal provided an opportunity for the Group to cut ongoing loss of the Target Group and realise its investment in the Target Group, and will allow the Group to focus on its core businesses of property development business.

The Directors consider that the terms of the Sale and Purchase Agreement have been entered into on normal commercial terms, and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the carrying amount of the investment in the Target Group, the Group estimates that the expected net gain from the Disposal (after deducting the related transaction costs) will be approximately HK\$1.6 million.

The net proceeds from the Disposal of HK\$0.6 million will be applied for the general working capital of the Group and as funds for future development of the Group when investment opportunities arise. Accordingly, the Disposal will enable the Group to increase its working capital, and will improve the liquidity and strengthen the overall financial position of the Group.

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DEFINITIONS

“Board”	the board of Directors
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	means completion of the sale and purchase of the Sale Share pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the sum of HK\$1 million, being the total consideration payable by the Purchaser to the Vendor for the Sale Share
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share to the Purchaser by the Vendor pursuant to the terms of the Sale and Purchase Agreement

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected 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
“Khuderbold”	Khuderbold LLC, a company incorporated under the laws of Mongolia and a wholly-owned subsidiary of Tian Sheng and an indirect wholly-owned subsidiary of the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mining Licence”	means the current mining licence with respect to the mining of the Target Iron Mine covering a site area of not less than 550 hectares held by Khuderbold
“Parties	collectively, the Vendor and the Purchaser; and a Party shall be construed accordingly
“PRC”	the People’s Republic of China
“Purchaser”	Tan Shaliang, an Independent Third Party
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 March 2015 entered into between the Purchaser and the Vendor in respect of the Disposal
“Sale Share”	means 1 issued and fully paid share of the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	the ordinary share(s) of HK\$0.25 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Infinite Nature Limited, a company incorporated under the laws of British Virgin Islands
“Target Group”	the Target Company and its subsidiaries
“Target Iron Mine”	means the iron deposits located at Tumurtei, Khuder Soum, Selenge Aimag, Mongolia
“Tian Sheng”	Tian Sheng Resources Development Limited, a company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Target Company
“Vendor”	China Value Assets Limited, a company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Asia Resources Holdings Limited
Huang Yilin
Chairman

Hong Kong, 25 March 2015

As at the date of this announcement, the Board consists of four executive Directors, Mr. Huang Yilin, Mr. Lin Chengdong, Mr. Chan Shi Yin, Keith and Mr. Mo Tsz Yuk; and three independent non-executive Directors, Mr. Zhang Xianlin, Mr. Kwok Hong Yee, Jesse and Mr. Ho Chun Kit, Gregory.