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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)

TERMINATION OF MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of Asia Resources Holdings Limited (the “**Company**”) dated 12 October 2017 (the “**Announcement**”) and the circular of the Company dated 22 January 2018 (the “**Circular**”) in relation to the acquisition of Properties. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement and the Circular, unless the context requires otherwise.

The Completion is conditional on, inter alia, the Vendor having provided, to the Purchaser’s satisfaction, all documentary evidence that the construction of the Properties have been completed in full compliance with the relevant laws and regulations and legal and valid interests in the Properties (the “**Condition Precedent**”).

In mid-April 2019, the Purchaser received a notice from the Vendor that it is anticipated that the Vendor would not be able to complete the construction of the Properties and deliver the same to the Purchaser in accordance with the agreed terms of the Sale and Purchase Agreement. The Vendor also proposed to terminate the Sale and Purchase Agreement.

In 2018, the local government of Shenyang City has implemented a series of policies to cool down its property market and caused a negative impact on the prospective sales of the Properties. Those policies include, inter alia, (i) strengthening the property purchase restrictions; (ii) increasing the land supply; and (iii) imposing a price ceiling on the sales price of properties. Further, the local government has also adjusted its policy and cancelled school net arrangement in the nearby area, and such cancellation affected the development of surrounding commercial areas and caused the loss of target customers for the Properties.

* *For identification purpose only*

In light of the unpromising prospect of the Properties and financial difficulties suffered by the Vendor, it is expected that the Condition Precedent will not be fulfilled on or prior to 31 December 2019 as originally expected by the parties.

On 24 April 2019, after arm's length negotiations between the Vendor and the Purchaser, the parties entered into a termination agreement, pursuant to which, (i) the parties have mutually agreed to terminate the Sale and Purchase Agreement and no parties shall have claims against each other; and (ii) on or prior to 24 October 2019, the Vendor shall refund a total amount of RMB562,500,000 paid by the Purchaser (the "**Refund Amount**") and shall pay a lump sum of RMB11,250,000, being 2% of the Refund Amount, to the Purchaser as monetary compensation. The major and connected transaction of the Company in relation to the acquisition of the Properties have been terminated accordingly.

Taking into account the fact that the circumstances under which the Sale and Purchase Agreement was entered into have been changed and given the uncertainties and market risks involved, the Board is of the view that it is in the best interests of the Company and its Shareholders not to proceed with the Sale and Purchase Agreement and the transactions contemplated thereunder.

By order of the Board of
Asia Resources Holdings Limited
Li Yuguo
Chairman

Hong Kong, 24 April 2019

As at the date of this announcement, the Board consists of three executive directors, Mr. Li Yuguo, Ms. Guo Yumei and Mr. Liu Yan Chee James; two non-executive directors, Mr. Yang Xiaoqiang and Mr. Huang Yilin; and three independent non-executive directors, Mr. Ba Junyu, Mr. Zhu Xueyi and Mr. Wong Chung Man.