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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY IN THE PRC

THE ACQUISITION

The Board is pleased to announce that on 28 February 2017 (after trading hours of the Stock Exchange), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor in relation to the Acquisition, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property for an initial Consideration of RMB220,000,000 (equivalent to approximately HK\$253,000,000) (subject to adjustments).

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 28 February 2017 (after trading hours of the Stock Exchange), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor in relation to the Acquisition, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property for an initial Consideration of RMB220,000,000 (equivalent to approximately HK\$253,000,000) (subject to adjustments).

The principal terms of the Acquisition Agreement are summarized below.

THE ACQUISITION AGREEMENT

Date: 28 February 2017

Parties: (1) Purchaser: Shenzhen Weisidun Investment Development Company Limited[#] (深圳威斯頓投資發展有限公司), an indirect wholly-owned subsidiary of the Company

(2) Vendor: Beijing Zhongtou Chuangzhan Land Company Limited[#] (北京中投創展置業有限公司)

The Vendor is a company established in the PRC and is principally engaged in real estate development, investment management, property management, hotel management, organization of exhibitions and conventions. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

Subject of the Acquisition

Pursuant to the Acquisition Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property.

The Property comprises of (a) office premises (the "**Office Premises**") with a gross floor area of 8,335 square metres and (b) underground car park (the "**Car Park**") with a gross floor area of 3,100 square metres located in the Phase III of the Beijing Convention and Exhibition International Port (Exhibition Centre Ancillary Facilities) Project[#] (北京會展國際港展館配套設施項目第三期) (the "**Project**"). The Purchaser shall have preferential right to choose the exact unit(s) of the Office Premises and the Car Park.

The Project is situated at Tianzhu Airport Commercial Area, Shunyi District, Beijing[#] (北京順義區天竺空港商務區) and will mainly comprise of office premises and hotel with gross floor area of 62,801 square metres. As advised by the Vendor, the construction of the Project has not yet commenced and the expected completion date is in or around 31 December 2018.

According to a Land Use Rights Transfer Agreement known as Jing De Chu [He] Zi (2010) No. 0324[#] (京地出[合]字(2010)第0324號) dated 22 October 2010 (as supplemented by a supplemental agreement dated 22 October 2010) and entered into between the Vendor and Beijing Municipal Bureau of Land and Resources, the land use rights of the land on which the Project will be erected thereon, comprising a gross floor area of approximately 114,236 square metres, have been granted to the Vendor for a term of 40 years for commercial use ending on 21 October 2050 and 50 years for composite use ending on 21 October 2060.

As at 24 February 2017, the Property was valued by an independent professional valuer at approximately RMB231,500,000 (equivalent to approximately HK\$266,225,000) on a market value basis assuming it is completed as at 24 February 2017.

Consideration

Subject to the Termination Right (as defined below), the initial Consideration for the Acquisition is RMB220,000,000 (equivalent to approximately HK\$253,000,000) (subject to adjustments) and shall be payable by the Purchaser in the following manner:

- (a) as to RMB50,000,000 (equivalent to HK\$57,500,000) as refundable deposit to be payable within thirty (30) days from the date of the Acquisition Agreement (the “**Deposit**”);
- (b) as to RMB100,000,000 (equivalent to approximately HK\$115,000,000) to be payable within sixty (60) days from the date of the Acquisition Agreement;
- (c) as to RMB50,000,000 (equivalent to approximately HK\$57,500,000) to be payable within ninety (90) days from the date of the Acquisition Agreement; and
- (d) the remaining balance of RMB20,000,000 (equivalent to approximately HK\$23,000,000) to be payable upon the pre-sale agreement between the Vendor and the Purchaser in relation to the sale and purchase of the Property having been entered into and the building owner certificate of the Property having been obtained by the Purchaser (the “**Remaining Balance**”).

Termination Right

Notwithstanding any other provisions in the Acquisition Agreement, the Vendor and the Purchaser agreed that, the Purchaser shall, during the three-month period commencing from the date of the Acquisition Agreement, have right to determinate whether (a) to proceed further to the Acquisition; or (b) at its absolute discretion to terminate the Acquisition Agreement by serving a termination notice to the Vendor without incurring any liabilities to the Vendor (the “**Termination Right**”). In the event that the Purchaser exercises the Termination Right, the Vendor shall, within thirty days from the date of receipt of the termination notice, refund the Consideration (without interest) actually paid by the Purchaser

to the Vendor and the Acquisition Agreement shall be terminated on the date on which the Consideration (without interest) actually paid by the Purchaser to the Vendor is refunded in full.

Adjustment of the Consideration

The Consideration shall be adjusted in the following manner:

1. If, due to the indivisible of the office premises of the Project in issuing building ownership certificate, the gross floor area of the Office Premises as stated in the building ownership certificate exceeds 8,335 square metres, the Consideration shall be adjusted upward (the “**Upward Adjustment**”) in the following manner:

$$\text{Consideration} = \frac{\text{the gross floor area of the Office Premises as stated in the building ownership certificate}}{\text{as stated in the building ownership certificate}} \times \text{actual pre-sale price of the office premises of the Project per square metre}$$

Provided that the Upward Adjustment shall not exceed 3% of the initial Consideration (i.e. RMB6,600,000 (equivalent to approximately HK\$7,590,000)), and the maximum Consideration shall not exceed RMB226,600,000 (equivalent to approximately HK\$260,590,000).

2. In the event that the filing price per square metre of the Office Premises to the relevant price department is lower than RMB24,000 (equivalent to approximately HK\$27,600), the Consideration shall be adjusted downward (the “**Downward Adjustment**”) and the Vendor shall, within five (5) days from the date of obtaining the pre-sale approval of the Project, refund to the Purchaser an amount equivalent to “A” calculated as below:

$$A = \left(\text{RMB24,000} - \frac{\text{filing price per square meter of the Office Premises}}{\text{square meter of the Office Premises}} \right) \times 8,335$$

3. For the avoidance of doubt, in the event that the filing price per each square meter of the Office Premises to the relevant price department is higher than RMB24,000 (equivalent to approximately HK\$27,600), there will be no adjustment on the Consideration.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into consideration (i) the reasons for the Acquisition as detailed in the paragraph headed "Reasons for and benefits of the Acquisition" in this announcement; and (ii) the estimate market value of the Property of approximately RMB231,500,000 (equivalent to approximately HK\$266,225,000) as at 24 February 2017 based on a valuation report of the Property prepared on a market basis conducted by an independent professional valuer assuming it is completed as at 24 February 2017.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The Consideration is intended to be funded by internal resources of the Group.

Completion

Completion of the Acquisition Agreement shall be conditional upon fulfillment of the following conditions precedent:

- (1) the Acquisition Agreement and the transactions contemplated thereunder having been approved by the Board;
- (2) if required, the consent and approval from the regulatory authorities having been obtained;
- (3) the shareholders' approval from the Vendor and the board of directors' approval from the Purchaser in relation to the Acquisition Agreement and the transactions contemplated thereunder having been obtained;
- (4) the construction permit and the pre-sale approval of the Project having been obtained by the Vendor in accordance with the timeframe specified in the Acquisition Agreement;
- (5) the entering into of the pre-sale agreement in relation to the sale and purchase of the Property between the Vendor and Purchaser;
- (6) the entering into of the formal sale and purchase agreement in relation to the sale and purchase of the Property between the Vendor and Purchaser; and
- (7) the building owner certificate of the Property having been obtained by the Purchaser.

Completion of the Acquisition Agreement shall take place on or before the date falling three (3) years from the date of the Acquisition Agreement (or such later date as may be agreed between the Vendor and Purchaser).

Obligations of the Vendor and the Purchaser

Pursuant to the terms and conditions of the Acquisition Agreement,

- (1) the Vendor shall obtain the contraction permit in relation to the Project on or before 25 May 2017;
- (2) the Vendor shall obtain the pre-sale approval in relation to the sale and purchase of the Project on or before 31 December 2017, and, within three (3) months from the date of obtaining such pre-sale approval, the Vendor and the Purchaser shall enter into the pre-sale agreement in relation to the sale and purchase of the Property;
- (3) the Vendor shall obtain all necessary approval, consent and permit, complete all necessary filing and registration in relation to the development, construction and sale and purchase of the Property to ensure the legality and validity of the construction and the sale and purchase of the Property; and
- (4) the Vendor shall ensure the completion inspection of the Property shall be completed and the physical delivery of the Property shall take place on or before 31 December 2018.

Default and termination

If the Vendor fails to (a) obtain all necessary approval, consent or permit or complete all necessary filing or report in relation to the construction or delivery of the Property; or (b) enter into the pre-sale agreement in relation to the sale and purchase of the Property with the Purchaser, within the timeframe specified in the Acquisition Agreement, the Purchaser shall be entitled to terminate the Acquisition Agreement and request the Vendor to refund the amount of the Consideration actually paid by the Purchaser and pay to the Purchaser a further sum in the amount of RMB50,000,000 (equivalent to approximately HK\$57,500,000).

If the Vendor fails to (a) obtain the contraction permit in relation to the Project on or before 25 May 2017; (b) obtain the pre-sale approval in relation to the sale and purchase of the Project on or before 31 December 2017; (c) enter into the pre-sale agreement in relation to the sale and purchase of the Property with the Purchaser within three (3) months from the date of obtaining such pre-sale approval; or (d) refund to the Purchaser the amount of the Downward Adjustment within five (5) days from the date of obtaining the pre-sale approval of the Project, the Vendor shall pay a daily fee representing 0.3% of the amount of the Consideration (including the Deposit) actually paid by the Purchaser (unless otherwise agreed between the Vendor and the Purchaser).

Save for the force majeure events specified in the Acquisition Agreement, if completion of the Acquisition Agreement does not take place as a result of the default of the Purchaser and the Vendor elects to terminate the Acquisition Agreement, the Vendor shall be entitled to sell the Property to any third party after refunding to the Purchaser the Consideration (excluding the Deposit which the Vendor is entitled to forfeit) actually paid by the Purchaser.

Save for the force majeure events specified in the Acquisition Agreement, if completion of the Acquisition Agreement does not take place as a result of the default of the Vendor and the Purchaser elects to terminate the Acquisition Agreement, the Vendor shall refund the Consideration actually paid by the Purchaser and pay to the Purchaser a further sum equal to the amount of the Deposit.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Group has been actively exploring for business opportunities based on the experience and business connections of its management. It is also the business strategy of the Group to diversify into the real estate sector in the PRC. In line with this strategy, the Board considers that the Acquisition enhances the Group's property investment business in the PRC and strengthens the Group's asset base and broadens the Group's source of income. Having considered the prospects of the property market in the PRC and the PRC economy in general, the Board is confident that the Acquisition will contribute positively to the Group and help the Group to develop sustainably. It will also maximize the future contribution to the Group.

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

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement dated 28 February and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors from time to time
“Car Park”	has the meaning ascribed thereto under the paragraph headed “Subject of the Acquisition” of this announcement
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 899)
“Consideration”	the consideration for the Acquisition, which amounts to RMB220,000,000 (equivalent to approximately HK\$253,000,000) initially and is subject to the Upward Adjustment and/or the Downward Adjustment
“Directors”	the directors of the Company (including the independent non-executive directors) from time to time

“Downward Adjustment”	has the meaning ascribed thereto under the paragraph headed “Adjustment of the Consideration” of this announcement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Premises”	has the meaning ascribed thereto under the paragraph headed “Subject of the Acquisition” of this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project”	has the meaning ascribed thereto under the paragraph headed “Subject of the Acquisition” of this announcement
“Property”	collectively, the Office Premises and the Car Park
“Purchaser”	Shenzhen Weisidun Investment Development Company Limited [#] (深圳威斯頓投資發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholders”	holders of the issued Shares from time to time
“Share(s)”	share(s) of HK\$0.25 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Upward Adjustment”	has the meaning ascribed thereto under the paragraph headed “Adjustment of the Consideration” of the announcement
“Vendor”	Beijing Zhongtou Chuangzhan Land Company Limited [#] (北京中投創展置業有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Asia Resources Holdings Limited
Wu Hongquan
Chairman

Hong Kong, 28 February 2017

[#] *The English translation of the Chinese names or words in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.15. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

As at the date of this announcement, the Board consists of five executive directors, Mr. Wu Hongquan, Mr. Huang Yilin, Mr. Chan Shi Yin, Keith, Ms. Li Yali and Mr. Zhang Zhensheng; and three independent non-executive directors, Mr. Zhang Xianlin, Mr. Kwok Hong Yee, Jesse and Mr. Ng Ping Yiu.

^{*} *For identification purposes only*