

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

Acquisition of the entire issued share capital of Silver Epoch Investments Limited

Billion Source, a wholly owned subsidiary of the Company, has on 21 March 2005 entered into an agreement with the Vendor for purchase of the entire issued share capital of Silver Epoch at a consideration of HK\$30,000,000. Silver Epoch is an investment holding company owning the entire equity interest of Siping Yatai, a PRC enterprise engaged in manufacturing pharmaceutical products.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition will be despatched to shareholders of the Company as soon as practicable.

AGREEMENT DATED 21 March 2005

Parties

Vendor: Madam Wang Xiang, an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)

Purchaser: Billion Source, a wholly owned subsidiary of the Company

Interests to be acquired

One share of US\$1.00 of Silver Epoch representing the entire issued share capital thereof. Silver Epoch is an investment holding company owning the entire equity interest in Siping Yatai.

Siping Yatai

Siping Yatai, formerly a PRC domestic enterprise and became a wholly foreign owned investment enterprise on 2 August 2004, has registered capital and total investment of RMB50,000,000 (about HK\$47,125,353) and RMB82,500,000 (about HK\$77,756,833) respectively. In accordance with the funds verification report dated 3 August 2004 issued by a firm of PRC certified public accountants, the registered capital was fully paid up.

Siping Yatai has obtained the Certificate of Good Manufacturing Practices for Pharmaceutical Products for manufacturing intravenous fluids. Intravenous fluid is a major category in medical products, which is the introduction of large amounts of fluids of sterile solutions of chemicals such as glucose and starch supplements, by means of controlled drip into the vein. It is a medical product used by hospitals and healthcare organizations on a daily basis as it is the fastest and most effective way to deliver fluids and medications throughout the body in a controlled way.

Currently, the Group also engages in production of intravenous fluids and therefore knows well the usage and commercial exploitation of the products. Siping Yatai operates its only production plant located in Jilin Province, PRC, which is next to a production plant of the Group manufacturing similar products. Siping Yatai has yet commenced business but is currently in a trial run and it is expected to commence production by the end of March 2005. According to a certificate issued by the Siping City Food and Drug Regulatory Bureau (四平市食品藥品監督管理局) dated 16 March 2005, the production capacity of Siping Yatai is expected to reach 30 million bottles of intravenous fluids per annum.

Conditions precedent

Completion of the Acquisition is conditional upon the following conditions being fulfilled on or before 30 April 2005:

1. resignation without any claim for compensation by the sole director of Silver Epoch; and
2. execution by the Vendor of a waiver of debt releasing Silver Epoch from repaying the Vendor a shareholder's loan in the sum of about HK\$47,200,000.

Consideration and Basis for Determining the Consideration

The consideration for the Acquisition is HK\$30,000,000 and will be financed by internal resources of the Group. A refundable deposit of HK\$2,400,000 has been paid on the signing of the Agreement and the balance is payable on the completion. The consideration for the Acquisition was determined after arm's length negotiations and on normal commercial terms with reference to the net liability of Silver Epoch taking into account of (1) the expected production capacity of Siping Yatai; (2) the estimated time of two and half years and costs of approximately RMB90 million to be involved should the Company decide to build a similar manufacturing plant on its own; (3) the competition from Siping Yatai and the negative impact to the Company's market share in the intravenous fluids business once Siping Yatai starts its production which is expected to be by the end of March 2005.

The Company is not required under the Agreement and has no present plan to make any financial commitment on Silver Epoch.

As Siping Yatai has yet commenced business, no profit and loss accounts is available. Based on the unaudited balance sheet of Siping Yatai as at 28 February 2005, the total net assets value was approximately RMB50,000,000 (about HK\$47,125,000) including fixed assets of production plant, equipment and land use right and other receivables. The said receivables consist an advance to an individual in the PRC (the "Debtor") amounting to approximately RMB73,624,000 (about HK\$69,391,000). The Debtor is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). As the advance to the Debtor was unsecured and the creditworthiness of the Debtor is uncertain, the Board is not hopeful as to the recoverability of the said receivables. In any event, the Board has taken into account of the unrecoverability of those receivables in determining the consideration to be paid for the Acquisition.

The unaudited net loss after extraordinary items of Silver Epoch for the year ended 31 December 2004 was approximately HK\$320. Based on the unaudited balance sheets of Siping Yatai and Silver Epoch as at 28 February 2005 and taking into account of the deed of waiver to be given by the Vendor and the above mentioned unrecoverable receivables, the consolidated net liability of Silver Epoch is estimated to be approximately HK\$23 million.

Completion

Completion of the Agreement is to take place on or before the 14th Business Day following the date on which the last of the conditions precedent to completion having been fulfilled.

REASONS FOR THE ACQUISITION

The Board considers that the PRC pharmaceutical market will be one of the fastest growing industries in the PRC. Based on the Group's experience and expertise in running pharmaceutical plants, the Board foresees a constantly increasing demand for intravenous fluids and wishes to further expand in the business with an aim to strengthen the income base of the Group. At present, the Group runs two production plants (one in Zhejiang province, PRC and one in Jilin province, PRC) and has total production capacity of about 66 million bottles of intravenous fluids per annum which may not meet the market demand as expected. The Acquisition can increase the production capacity of the Group by about 40%. It will also enlarge the market share of the Group and bring financial benefits to the Group. Given Siping Yatai is next to one of the existing plants of the Group, sourcing, manufacturing and other synergies to be achieved after completion are expected to be significant.

The Board considers that the terms of the Agreement are fair and reasonable and believes that the Acquisition is in the best interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE GROUP

The Company is an investment holding company. The Group is engaged in the manufacturing and sales of pharmaceutical products, including the intravenous fluid and the plastic bottles that hold the fluid, in the PRC.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition will be despatched to shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the following meanings:

"Acquisition"	the acquisition of the entire issued share capital of Silver Epoch
"Agreement"	the sale and purchase agreement dated 21 March 2005 entered into between the Vendor and the Purchaser in relation to the Acquisition
"Billion Source" or "Purchaser"	Billion Source Investments Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Board"	the board of directors of the Company
"Company"	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Siping Yatai"	四平亞大藥業有限公司 (Siping Yatai Medicine Industry Co., Ltd.), a wholly foreign owned enterprise established in the PRC
"Silver Epoch"	Silver Epoch Investments Limited, a company incorporated in the British Virgin Islands with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"the Vendor"	Madam Wang Xiang

Unless otherwise specified, conversation of Renminbi into Hong Kong dollar is based on the exchange rate of HK\$1.00=RMB1.061.

On behalf of the Board
Zhang Cheng
Chairman

Hong Kong, 22 March 2005

As at the date of this announcement, the executive directors of the Company are Ms. Zhang Cheng, Mr. Lin Dong and Mr. Feng Xiang Cai and the independent non-executive directors are Mr. Qiu Yiyong, Ms. Jane Jin and Mr. Yin Dakui.

* For identification purpose only.