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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)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the consolidated financial results of the Group for the year ended 31 March 2012 may record a substantial loss as compared with that of previous year.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Asia Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listings of Securities (the “**Rules**”) on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that the consolidated financial results of the Group for the year ended 31 March 2012 may record a substantial loss as compared with that of previous year due to (1) the impairment loss recognition of the mining right in Mongolia (details of which has been disclosed in the interim results announcement of the Company dated 28 November 2011); (2) the potential written off (the “**Potential Written-off**”) on outstanding balance of HK\$63,999,751 in relation to the Group’s disposal of 30% of the entire issued share capital of Skyyield Holdings Limited pursuant to the sale and purchase agreement dated 12 December 2007 that the Group has yet received such

\* *For identification purposes only*

outstanding balance as at the date of this announcement (details of such disposal and the failure of the counterparty to pay the outstanding balance have been disclosed in the circular of the Company dated 3 January 2008 and the announcement of the Company dated 18 April 2012 respectively); (3) the possible impairment loss (the “**Possible Impairment**”) recognition of mining business in Indonesia as disclosed below; and (4) increase in the loss in pharmaceutical segment due to further narrowing of the gross profit margin which is attributable to keen competition.

The Company is still in the process of reviewing the Potential Written-off and the Possible Impairment with relevant professional party such as the auditors, valuer and legal advisers (as the case may be) as to the appropriate financial treatment on them.

Pursuant to the Deed of Statement and Power of Attorney dated 12 September 2009, executed by PT. Indo Modern Mining Sejahtera (“**Indo**”) in favour of PT. Dampar Golden International (“**DGI**”), an indirect non wholly-owned subsidiary of the Company which is owned as to 55% by Mighty Kingdom Investments Limited, a wholly-owned subsidiary of the Company; 40% by Indo and 5% by Empire Bridge Assets Limited. Indo has granted exclusive powers and authorities to DGI to manage and arrange on behalf of Indo all activities in the mining area (the “**Mining Area**”) located in Lumajang, East Java, Indonesia and covering a site area of at least 1,195 hectares. Indo is the holder of mining business licence in respect of the Mining Area for (i) exploration, (ii) production and operation; and (iii) transportation, sale and trading of mining commodities. Pursuant to a service agreement dated 26 March 2010 and entered into, inter alia, DGI and Indo, in view of the provision by DGI of full range of services to Indo from procurement/arranger services at the minimum to sale and exporting services in the Mining Area on behalf of Indo, Indo shall cause DGI to receive a fee equal to the full amount of the net profits of Indo deriving from all the mining activities within the Mining Area.

The Board is aware that the laws governing mining industry in Indonesia (the “**Indonesian Mining Laws**”) have recently been amended and modified (the “**Amendments**”). The Company is preliminarily advised by its Indonesia legal advisers that the major impact as a results of Amendments on the Group is that all the raw mineral output in form of ore from the Mining Area cannot be directly exported after 6 May 2012. Under the Amendments, among other matters, the owners and operators of mineral or coal mines in Indonesia has to increase the value-added to minerals through processing and refining before the processed minerals or

coal can be exported. All the value-added processing and refining programs shall be finalized before 2014. Further, mine owners can export all the mineral raw materials (ores) if they have already obtained the recommendation from the Ministry of Energy and Mineral Resources of Indonesia through the Director General. The Board believes that the Amendments will affect the mining business of the Group in Indonesia carrying out by DGI.

The Company is in the course of revising the overall business plan of the said mining business. Any change in the business plan may affect the valuation of DGI which may or may not result in the Possible Impairment Loss. As at the date hereof, revised business plan has yet materialised.

This profit warning announcement is only based on the preliminary assessment of the unaudited management accounts of the Group. The audited financial results of the Group for the year ended 31 March 2012 have not been finalized nor audited by the Company's auditors. Shareholders and investors are advised to read carefully the final results announcement of the Company which is expected to be published in late June 2012.

**Shareholders and the potential investors should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 7 June 2012

*As at the date of this announcement, the Board consists of two executive Directors, Mr. Chim Kim Lun, Ricky and Mr. Chan Sung Wai; one non-executive Director, Mr. Tong Leung Sang; and three independent non-executive Directors, Mr. Zhang Xianlin, Mr. Lum Pak Sum and Mr. Kwok Hong Yee, Jesse.*