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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)**

### **UPDATE ON THE DEVELOPMENT OF INDONESIAN MINE BUSINESS**

This announcement is made by Asia Resources Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“**SFO**”) and Rule 13.09 of the Listing Rules.

PT. Dampar Golden International (“**Dampar**”), a company incorporated in Indonesia, is a subsidiary of the Company with 55% of its entire issued share capital indirectly owned by the Company. It has at present 8 production lines in Indonesia in full operation exploiting iron sand for export to China. The purity level of iron exported from these production lines was below 56% Fe.

As per the Ministerial Regulation No. 1/2014 promulgated by the Indonesian Government, with effect from 12 January 2014, the Indonesian government stopped the export of unprocessed mineral products with a view to encouraging the upgrading of minerals through processing and refining before such minerals can be exported. The producers of iron ore are exempted from the ban for three years as long as the shipments meet the required minimum purity levels at above 56% Fe. However, pursuant to the Finance Ministry regulation No. 6/2014 promulgated by the Indonesian Government, the export of such items will be subjected to the progressive export tax of 20 percent of the value of such products in the first year with the rate of such tax increased to 60 percent of the value of such products by the end of 2016.

\* *For identification purposes only*

Due to the introduction of such regulations, Dampar's export of iron sand from Indonesia to China has been brought to a halt since the purity level of iron sand does not meet the minimum requirement. Without the introduction of a process to bring the purity of the iron sand to the minimum level, Dampar will not be in a position to export the iron sand in the meantime. This will affect Dampar's performance as there will be no revenue to be generated from its mining business in Indonesia in the interim which will have a material adverse effect on the Group's financial performance.

One solution being considered by the board of the Company is to consider building a smelter facility as soon as practicable so that iron sand from the 8 production lines can be processed and refined to the required minimum purity level for export.

The Company is seeking legal opinion on the latest mining regulations from an Indonesian lawyer and is in the process of discussing with Dampar and relevant parties concerning the way forward. Should there be a decision made, the Company will make an appropriate announcement in accordance with the SFO and the Listing Rules as and when applicable.

**Shareholders of the Company and investors should in the meantime exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 24 January 2014

*As at the date of this announcement, the Board consists of three executive Directors, Mr. Chim Kim Lun Ricky, Mr. Cheung Kai Kwong and Mr. Yeung Yiu Bong Anthony; 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.*