Asia Resources Holdings Limited

亞 洲 資 源 控 股 有 限 公 司*

(incorporated in Bermuda with limited liability)

(stock code : 899)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The Board of Directors (the "Board") of Asia Resources Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	2	170,445	132,415
Cost of sales		(98,082)	(81,374)
Gross profit		72,363	51,041
Other income		8,786	6,314
Distribution and selling expenses		(49,243)	(45,874)
Administrative expenses		(27,543)	(25,892)
Share of loss of associates		(3,381)	(7,035)
Gain on disposal of associates		73,691	-
Gain on disposal/change in fair value of investment properties		2,664	(7,229)
Impairment of goodwill		-	(114,493)
Finance costs		(10,751)	(11,216)
Profit (loss) before tax	3	66,586	(154,384)
Income tax expenses	4	(1,204)	(4,304)
Profit (loss) for the year attributable to the equity holders		65,382	(158,688)
Earning (loss) per share – basic	5	4.63 cents	(11.24)cents

CONSOLIDATED BALANCE SHEET

At 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		156,171	164,401
Prepaid lease payments		10,067	13,212
Investment properties		-	30,334
Intangible assets		104	-
Interests in associates		-	114,823
Deposits for acquisition of property, plant and equipment and intangible assets		-	100
		166,342	322,870
Current assets			
Inventories		21,433	20,677
Trade and other receivables	6	301,770	86,666
Loans to an associate		-	38,354
Held-for-trading investments		496	-
Pledged bank deposits		6,992	-
Bank balances and cash		73,247	38,071
		403,938	183,768
Current liabilities			
Trade and other payables	7	60,999	42,462
Tax liabilities		1,071	-
Borrowings		134,262	82,725
		196,332	125,187
Net current assets		207,606	58,581
Total assets less current liabilities		373,948	381,451
Capital and reserves			
Share capital		70,572	70,572
Reserves		303,376	227,967
Total equity		373,948	298,539
Non-current liability			
Borrowings		-	82,912
		373,948	381,451

Notes

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs)

Standards and Interpretations effective in current year

In the current year, the Group has applied, for the first time, the following standard, interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) - Int 11	HKFRS2: Group and treasury share transactions

The adoption of the new HKFRSs had no material effects on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 respectively. Certain information presented in prior year under the requirement of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

Standards and Interpretations in issue not yet adopted

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 12	Service Concession Arranagements[3]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

The Group is engaged in manufacture and sales of pharmaceutical products and was involved in properties investment in the People's Republic of China (the "PRC"). Accordingly, no geographical analysis of information is presented. The revenue, results and assets of properties investment business accounted for less than 10% of the Group's revenue and results for the financial years ended 31 March 2007 and 2008 and total assets as of 31 March 2007. Therefore no business segment information is presented

3. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging (crediting):

	2008	2007
	HK$'000	HK$'000
Depreciation of property, plant and equipment	19,964	19,696
Amortization of intangible assets (included in administrative expenses)	93	565
Staff costs (included directors' remuneration)	18,510	14,256
Interest on bank loans wholly repayable within five years	10,751	11,216
Prepaid lease payment	429	409
Change in fair value of held-for-trading investments	500	(324)
Interest income on loans to an associate	(2,597)	(3,216)

4. INCOME TAX EXPENSES

	2008	2007
	HK$'000	HK$'000
PRC income tax	1,204	-
Over provision of the PRC income tax in prior years	-	(20)
Deferred tax	-	4,324
	1,204	4,304

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's operations in Hong Kong had no assessable profit for the year.

The PRC subsidiaries are subject to the PRC Enterprise Income Tax at rates at 33% prior to 1 January 2008 and 25% thereafter. Pursuant to the relevant laws and regulations in the PRC, the qualified PRC subsidiaries are entitled to exemption from PRC income tax for two years commencing from its first profit-making year of operation and thereafter it will be entitled to a 50% relief from PRC income tax for the following three years. Accordingly, PRC income tax has been provided taking into account of these tax exemption and concessions.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the state income tax rate from current applicable tax rates to 25% for enterprises in the PRC with effective from 1 January 2008.

5. EARNING (LOSS) PER SHARE

The calculation of the basic earning/loss per share is based on the profit/loss attributable to the equity holders of the Company of approximately HK$65,382,000 (2007: loss of HK$158,688,000) over 1,411,440,590 (2007: 1,411,440,590) ordinary shares of the Company in issue during the year.

No diluted earning/loss per share has been presented as there was no potential ordinary shares in issue in both years.

6. TRADE AND OTHER RECEIVABLES

Included in trade and other receivable, are trade, net of impairment losses, and bills receivables discounted/endorsed with recourse of HK$93,635,000 (2007: HK$79,833,000) and their aged analysis is as follows:

	2008 HK$'000	2007 HK$'000
Age		
0 to 90 days	63,109	55,626
91 to 180 days	19,218	15,562
181 to 365 days	8,576	8,645
1-2 years	2,732	-
	93,635	79,833

Payment terms with customers are mainly on credit. Invoices are normally settled within 90 days to 180 days of issuance, except for certain well established customers.

7. TRADE AND OTHER PAYABLES

Included in trade and other payable are trade payable of HK$20,037,000 (2007: HK$23,305,000) and their aged analysis is as follows:

	2008 HK$'000	2007 HK$'000
Age		
0 to 90 days	11,931	12,147
91 to 180 days	3,448	3,313
181 to 365 days	889	4,094
Over 365 days	3,769	3,751
	20,037	23,305

The average credit period on purchases is 3 months (2007: 3 months).

DIVIDEND

The Board did not recommend the payment of any final dividend for the year (2007: nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 25 August 2008 to 29 August 2008 (both days inclusive) during which period no transfer of shares in the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting to be held on 29 August 2008, all transfer of shares in the Company accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited, the Company's Hong Kong branch share register at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 22 August 2008.

BUSINESS REVIEW

In the year, the Group recorded a turnover of HK$170,445,000 (2007: HK$132,415,000), which represented an increase of about 29% as compared to previous year. The earnings attributable to shareholders for the year amounted to HK$65,382,000 (2007: loss of HK$158,688,000). The increase in turnover and a year-on-year growth of 28% in sales volume were driven mainly by the introduction of new customers and the increment of customer demand.

During the year under review, the moderating price competition in the intravenous fluid market and the effectiveness of the Group's cost control measures contributed to the improvement in gross profit margin to 42% of the year from 39% of last year. In respect of selling expenses, by allocating considerable resources to market development and brand promotion for years, the Group established a certain extent of penetration and recognition for its brands in the market. In light of this, the sales volume for the year recorded a growth of 28% as compared to previous year while the selling expenses increased less than 8%. The percentage of selling expenses as to revenue declined to 29% of the year from 35% of last year.

For the real estate operation, the Group disposed of its investment properties held for leasing, which is an office premise situated in Beijing, at approximately HK$32,998,000. The disposal contributed a gain (net of relevant expenses) of approximately HK$2,664,000. For the details of the disposal, please refer to the circular dated 19 July 2007 to shareholders.

The share of loss of associates of the Group for the year, which was related to the properties development in the PRC, amounted to approximately HK$3,381,000. In December 2007, the Group disposed of its equity interest in associates at HK$180,000,000. Taking account into the relevant costs, accumulated share of loss and exchange gain, the gain on the disposal was approximately HK$73,691,000. The investment return over the 2-year-period since the acquisition of the associate by the Group in October 2005 was about 50%. The Directors considered that the disposal was in the best interest of the Group. For the details of the disposal, please refer to the circular dated 3 January 2008 to shareholders and the announcement dated 4 July 2008.

Ms. Zhang Cheng resigned as the chairman and an executive director of the Company due to other business engagement which requires more of her dedication. The Board would like to take this opportunity to express its gratitude to Ms. Zhang Cheng for her valuable contribution to the Company during her term of service.

PROSPECTS

In the upcoming year, the Group will purse perfection of the consolidation of its factories, enhancement of quality control and product research and development, expansion of its sales networks as well as exploration of new sales channels, so as to drive up the profitability of its medicines.

For the real estate business, the PRC government has been tightening its macroeconomic adjustment and adopted stringent monetary policies in recent years. The real estate industry in the PRC is in the process of consolidation. This represented good opportunities to the Group that enable the Group to acquire quality lands or real estate developments at reasonable prices, to expand its investments in real estate business and to optimize its assets mix and profitability, which eventually offer shareholders reasonable returns.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 March 2008, the Group had total assets of HK$570,280,000 (2007: HK$506,638,000) which was financed by current liabilities of HK$196,332,000 (2007: current liabilities of HK$125,187,000 and long term liability of HK$82,912,000) and shareholders' equity of HK$373,948,000 (2007: HK$298,539,000).

The Group's current ratio as at 31 March 2008 was approximately 2.06 (2007: 1.47) and gearing ratio, representing the total borrowings divided by the shareholders' equity was approximately 35.9% (2007: 55.5%). The total outstanding borrowings of the Group as at 31 March 2008 were denominated in Renminbi, about 32% borrowings was interest-bearing with variable rates while interest of the remaining balances was calculated on fixed interest rates.

As at 31 March 2008, certain buildings with aggregate carrying amount of approximately HK$21,055,000 (2007: HK$24,223,000), plant and machinery amounting to approximately HK$29,085,000 (2007: HK$26,025,000), land use rights amount of HK$4,972,000 (2007: HK$12,056,000), investment properties amount of HK$nil (2007: HK$30,334,000) and bank deposits amount of approximately HK$6,992,000 (2007:nil) had been pledged to secure banking facilities granted to the Group. As at 31 March 2008, the Group had no material capital commitment and contingent liabilities.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong Dollars, Renminbi and US Dollars which have been relatively stable during the year. The Group was not exposed to material exchange risk and had not employed any financial instruments for hedging purposes.

EMPLOYEE AND REMUNERATION POLICY

The Group has a total of approximately 801 employees in Hong Kong and the PRC as at 31 March 2008. Remuneration packages are generally structured according to market situations and individual performance. Apart from the mandatory provident fund and statutory retirement benefits, the Group also provided medical benefits and sponsored employees in different training and continuous education programs.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The audit committee comprises all independent non-executive directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of interim and annual financial statements.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") of the Listing Rules through the adoption of relevant practices and procedures during the year , except for the following:

(i) The former chairman of the Board was not able to attend the 2007 annual general meeting of the Company in person due to other business engagement and commitments, but has already delegated to one of the executive directors of the Company to chair the meeting on her behalf; and

(ii) None of the independent non-executive directors were appointed for a specific term, but they are subject to the retirement by rotation and re-election for every three years at the annual general meeting pursuant to the Bye-law of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Having made specific enquiry with all directors, all directors confirmed that they had complied with the required standard set out in the Model Code.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under “Latest Listed Companies Information” and the website of the Company at www.aplushk.com/clients/0899asiaresources/index.html. The annual report will be dispatched to the shareholders and will also be available on these websites.

By order of the Board
Zhou Yu Kang
Chairman

Hong Kong, 18 July 2008

As at the date of this announcement, the executive Directors of the Company are Mr. Zhou Yu Kang, Mr. Lin Dong, Mr. Feng Xiang Cai and Mr. Yang Jianxin and the independent non-executive Directors are, Mr. Ngai Sau Chung, Howard, Mr. Lin Ye and Mr. Zhang Xiufu.

** for identification purpose only*