Asia Resources Holdings Limited
亞洲資源控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The Board of Directors (the "Board") of Asia Resources Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively refer to as the "Group") for the six months ended 30 September 2011 together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

		For the six months ended 30 September	
		2011	2010
		(unaudited)	(unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**58,740**	77,273
Cost of sales		**(40,677)**	(50,272)
Gross profit		**18,063**	27,001
Other revenue and gains	*5*	**28,144**	972
Distribution and selling expenses		**(15,088)**	(18,560)
Administrative expenses		**(13,095)**	(15,616)
Loss on early redemption of promissory notes		**–**	(298)
Other expenses	*6*	**(72,526)**	–
Finance costs	*7*	**(14,033)**	(8,390)
Loss before taxation	*8*	**(68,535)**	(14,891)
Taxation	*9*	**(258)**	–
Loss for the period		**(68,793)**	(14,891)

* *For identification purposes only*

	Note	For the six months ended 30 September **2011** **(unaudited)** ***HK$'000***	2010 (unaudited) *HK$'000*
Other comprehensive income			
Exchange differences on translating foreign operations		**4,043**	2,156
Other comprehensive income for the period, net of tax		**4,043**	2,156
Total comprehensive loss for the period		**(64,750)**	(12,735)
Loss attributable to:			
– Owners of the Company		**(68,306)**	(14,891)
– Non-controlling interests		**(487)**	–
		68,793	(14,891)
Total comprehensive loss attributable to:			
– Owners of the Company		**(64,263)**	(12,735)
– Non-controlling interests		**(487)**	–
		(64,750)	(12,735)
		HK cents	*HK cents*
Basic and diluted loss per share	*10*	**(1.81)**	(0.52)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Note	At 30 September 2011 (unaudited) HK$'000	At 31 March 2011 (audited) HK$'000
Non-current assets			
Property, plant and equipment	12	**82,519**	84,740
Prepaid lease payments		**4,047**	3,996
Intangible asset	13	**576,334**	576,334
Mining right	14	**185,195**	249,600
Deposits for acquisition of property, plant and equipment		**5,518**	5,427
		853,613	920,097
Current assets			
Inventories		**18,062**	14,381
Trade and bills receivables	15	**47,134**	50,036
Prepayments, deposits and other receivables	16	**79,357**	80,562
Amount due from non-controlling interest		**–**	804
Financial assets at fair value through profit or loss		**513**	728
Bank balances and cash		**78,230**	100,520
		223,296	247,031
Assets classified as held for sales		**–**	100,672
		223,296	347,703
Current liabilities			
Trade payables	17	**10,342**	13,709
Other payables and accruals	18	**5,691**	28,719
Bank borrowings	20	**46,357**	68,883
		62,390	111,311
Liabilities directly associated with assets classified as held for sales		**–**	80,626
		62,390	191,937
Net current assets		**160,906**	155,766
Total assets less current liabilities		**1,014,519**	1,075,863

	Note	**At 30 September 2011 (unaudited)** ***HK$'000***	At 31 March 2011 (audited) *HK$'000*
Capital and reserves			
Share capital	*19*	**193,937**	184,937
Reserves		**349,848**	401,905
Total equity		**543,785**	586,842
Non-controlling interests		**258,554**	259,041
		802,339	845,883
Non-current liability			
Convertible notes	*21*	**212,180**	229,980
		212,180	229,980
		1,014,519	1,075,863

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011 (unaudited)

	Attributable to owners of the Company								Attributable to non-controlling interests	Total
	Share capital	Share premium	Share option reserve	Special reserve	PRC statutory reserve funds	Translation reserve	Accumulated losses	Sub-total		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2010 (audited)	101,530	623,441	–	92,926	3,286	25,146	(408,076)	438,253	–	438,253
Total comprehensive loss for the period	–	–	–	–	–	2,156	(14,891)	(12,735)	–	(12,735)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	257,534	257,534
Open offer	50,765	81,224	–	–	–	–	–	131,989	–	131,989
Expenses incurred in connection with the open offer	–	(3,942)	–	–	–	–	–	(3,942)	–	(3,942)
At 30 September 2010 (unaudited)	152,295	700,723	–	92,926	3,286	27,302	(422,967)	553,565	257,534	811,099
At 1 April 2011 (audited)	184,937	728,785	–	92,926	3,286	30,045	(453,137)	586,842	259,041	845,883
Total comprehensive loss for the period	–	–	–	–	–	4,043	(68,306)	(64,263)	(487)	(64,750)
Conversion of convertible notes into shares	9,000	9,527	–	–	–	–	–	18,527	–	18,527
Release upon disposal of subsidiaries	–	–	–	–	(1,224)	(5,442)	1,224	(5,442)	–	(5,442)
Share-based payment expenses	–	–	8,121	–	–	–	–	8,121	–	8,121
At 30 September 2011 (unaudited)	**193,937**	**738,312**	**8,121**	**92,926**	**2,062**	**28,646**	**(520,219)**	**543,785**	**258,554**	**802,339**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2011

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net cash used in operating activities	**(7,332)**	(26,205)
Net cash generated from/(used in) investing activities	**9,289**	(23,271)
Net cash (used in)/generated from financing activities	**(27,479)**	56,465
Net (decrease)/increase in cash and cash equivalents	**(25,522)**	6,989
Cash and cash equivalents at the beginning of the period	**100,520**	65,953
Effect of foreign exchange rate changes	**3,232**	427
Cash and cash equivalents at the end of the period	**78,230**	73,369
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**78,230**	73,369

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This condensed consolidated interim financial information was approved for issue on 28 November 2011. This condensed consolidated interim financial information has not been audited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011, except for the impact of the new and revised HKAS, Hong Kong Financial Reporting Standards and interpretations described below.

In the current interim period, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 April 2011.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related Party Disclosures
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosures for First-time Adopters
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 *Related Party Disclosures* (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these condensed consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Company has not entered into transactions of this nature. However, if the Company does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

Save as described above, the new HKFRSs which are effective in this accounting period are not relevant to the Group's operation.

Impact of new and revised HKFRSs not yet effective

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income [3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets [2]
HKAS 19 (as revised in 2011)	Employee Benefits [4]
HKAS 27 (as revised in 2011)	Separate Financial Statements [4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures [4]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [1]
HKFRS 7 (Amendments)	Disclosure – Transfer of Financial Assets [1]
HKFRS 9	Financial Instruments [4]
HKFRS 10	Consolidated Financial Statements [4]
HKFRS 11	Joint Arrangements [4]
HKFRS 12	Disclosure of Interests in Other Entities [4]
HKFRS 13	Fair Value Measurement [4]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine [4]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 January 2012*
[3] *Effective for annual periods beginning on or after 1 July 2012*
[4] *Effective for annual periods beginning on or after 1 January 2013*

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments*: *Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Company's financial statements for financial year ending 31 March 2014 and that the application of the new standard will have no significant impact on amounts reported in respect of the Company's financial assets and financial liabilities.

The amendments to HKFRS 7 *Disclosures – Transfer of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level continuing exposure in the asset. The amendments also require disclosures when transfers of financial assets are not evenly distributed throughout the period.

HKFRS 10 *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces HK(SIC)-12 *Consolidation – Special Purpose Entities* and replaces parts of HKAS 27 *Consolidated and Separate Financial Statements.*

HKFRS 11 *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. HKFRS 11 supersedes HKAS 31 *Interests in Joint Ventures* and HK(SIC)-13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*.

HKFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13 *Fair Value Measurement* improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine* clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. It clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. HK(IFRIC)-Int 20 is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

The management is in the process of making an assessment of the impact of these new and revised standards, amendments and interpretations to existing standards. The directors of the Company so far has concluded that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker (the directors of the Company) for the purpose of resource allocation and performance assessment are presented into two segments.

For manufacturing and sale of pharmaceutical products operations, the chief operating decision maker regularly reviews the performance of the sales revenue from pharmaceutical products. These operations have been aggregated into a single operating segment and named "Manufacturing and sales of pharmaceutical products".

For iron ore exploration and exploitation operations, the chief operating decision maker regularly reviews the performance of the iron ore operation in Mongolia. The chief operating decision maker also reviews regularly the performance of the subsidiary in Indonesia which holds an exclusive right to manage, refine and sell the iron sand at the respective iron mine area hold by the minority interest of the subsidiary. These operations have been aggregated into a single operating segment and named "Iron ore exploration, exploitation and trading operations".

The following is an analysis of the Group's revenue and results by operating segments for the periods:

Six months ended 30 September

	Manufacturing and sales of pharmaceutical products		Iron ore exploration, exploitation and trading operations		Consolidation	
	2011	2010	**2011**	2010	**2011**	2010
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**58,740**	77,273	**–**	–	**58,740**	77,273
Total revenue	**58,740**	77,273	**–**	–	**58,740**	77,273
Segment results	**(5,287)**	(1,646)	**(1,519)**	(632)	**(6,806)**	(2,278)
Unallocated corporate expenses						
Other revenue and gains					**17,569**	471
Other expenses					**(72,526)**	–
Fair value changes on financial assets at fair value through profit or loss					**(215)**	465
Fair value changes on convertible notes					**10,576**	36
Central administration costs					**(3,100)**	(4,897)
Loss on redemption of promissory notes					**–**	(298)
Finance costs					**(14,033)**	(8,390)
Loss before taxation					**(68,535)**	(14,891)
Taxation					**(258)**	–
Loss for the period					**(68,793)**	(14,891)

The following is an analysis of the Group's assets and liabilities by operating segments:

	Manufacturing and sales of pharmaceutical products		Iron ore exploration, exploitation and trading operations		Total segment assets	
	At 30 September 2011 (unaudited) *HK$'000*	At 31 March 2011 (audited) *HK$'000*	**At 30 September 2011 (unaudited) *HK$'000***	At 31 March 2011 (audited) *HK$'000*	**At 30 September 2011 (unaudited) *HK$'000***	At 31 March 2011 (audited) *HK$'000*
ASSETS						
Segment assets	**164,629**	290,383	**770,699**	834,803	**935,328**	1,125,186
Unallocated corporate assets					**141,581**	142,614
					1,076,909	1,267,800
LIABILITIES						
Segment liabilities	**(55,381)**	(186,254)	**(4,471)**	(4,480)	**(59,852)**	(190,734)
Unallocated corporate liabilities					**(214,718)**	(231,183)
					(274,570)	(421,917)

4. REVENUE

Revenue, which is stated net of value added tax and other sales taxes and returns, represents amounts invoiced to customers for sales of pharmaceutical products during the period.

5. OTHER REVENUE AND GAINS

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Other revenue		
Interest income on bank deposit	**56**	154
Dividend income from financial assets at fair value through profit or loss	**46**	29
Sundry income	**141**	110
	243	293
Other gains		
Reversal of impairment loss on trade receivables	**758**	–
Fair value change on financial assets at fair value through profit or loss	**–**	465
Fair value change on convertible notes *(note)*	**10,576**	36
Gain on disposal of subsidiaries *(note 22)*	**16,567**	–
Others	**–**	178
	27,901	679
	28,144	972

Note:

Included in the fair value change on convertible notes, amount of approximately HK$91,000 was the realised gain upon the conversion of convertible notes during the period.

6. OTHER EXPENSES

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Provision for impairment loss on mining rights *(note 14)*	**64,405**	–
Share-based payment expense	**8,121**	–
	72,526	–

7. FINANCE COSTS

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Imputed interest on promissory notes	**–**	5,147
Imputed interest on convertible notes	**11,303**	206
Interest on bank loan repayable within 5 years	**2,730**	3,037
	14,033	8,390

8. LOSS BEFORE TAXATION

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss before tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**8,225**	10,044
Prepaid lease payments	**58**	112
Staff cost (including directors' remuneration)	**9,412**	9,848
Fair value change on financial assets at fair value through profit or loss	**215**	(465)
Fair value change on convertible note *(note 5)*	**(10,576)**	(36)
Minimum lease payments under operating lease	**352**	250

9. TAXATION

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax		
The PRC enterprise income tax	**258**	–

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

The PRC subsidiaries are subject to the PRC Enterprise Income Tax at rates 25% (2010: between 0% to 25%). Pursuant to the then relevant laws and regulations in the PRC, the qualified PRC subsidiaries were 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.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to equity holders of the Company is based on the following data:

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	**(68,306)**	(14,891)
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,783,336**	2,879,458

Diluted loss per share for the six months ended 30 September 2011 and 2010 were the same as the basic loss per share. The Company's outstanding convertible notes and share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding convertible notes and share options were anti-dilutive.

11. DIVIDENDS

On 28 November 2011, no interim dividend was declared by the Company for the six months ended 30 September 2011.

12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group has acquired property, plant and equipment of approximately HK$2,711,000 (2010: approximately HK$10,912,000) and no disposal of property, plant and equipment (2010: HK$Nil). No property, plant and equipment (2010: approximately HK$15,000) were acquired through acquisition of subsidiaries during the period.

At 30 September 2011, the Group has pledged certain of its buildings with an aggregate carrying amount of approximately HK$29,280,000 (at 31 March 2011: approximately HK$29,587,000) and plant and machinery amounting to approximately HK$20,849,000 (at 31 March 2011: approximately HK$9,678,000), land use rights amount of approximately HK$4,162,000 (at 31 March 2011: approximately HK$6,249,000) and bank deposit of approximately HK$Nil (at 31 March 2011: approximately HK$1,820,000) to certain banks to secure the credit facilities grant to the Group.

13. INTANGIBLE ASSET

	Exclusive right *HK$'000* *(note)*	**Total** *HK$'000*
Cost		
At 1 April 2011 (audited) and 30 September 2011 (unaudited)	576,334	576,334
Accumulated amortisation and impairment		
At 1 April 2011 (audited) and 30 September 2011 (unaudited)	–	–
Carrying amount		
At 30 September 2011 (unaudited)	**576,334**	**576,334**
At 31 March 2011 (audited)	576,334	576,334

Note:

Exclusive right represents the Deed of Statement and Power of Attorney dated 12 September 2009 and made between PT. Indo Modern Mining Sejahtera ("Indo"), the holder of the operation license in the mining area located in Lumajang, East Java, Indonesia, and PT Dampar Golden International ("PT Dampar"), pursuant to which, Indo grants exclusive rights and authorities to PT Dampar to manage and arrange all activities in the mining area on behalf of Indo.

Exclusive right is amortised on a straight-line basis over its estimated useful economic life. The useful economic life of the exclusive rights was estimated with reference to the validity of the operation license held by Indo. The operation license was valid for ten years from 21 July 2010 and the holder was entitled to apply for renewal for two times with a 10-year term each.

No amortisation was provided for the period ended 30 September 2011 as the iron ore mining operation has not yet been commenced during this period.

The directors of the Company have assessed the recoverable amount of the exclusive right, which exceeds its carrying amount and therefore no impairment loss was recognised during the period.

14. MINING RIGHT

	HK$'000
Cost	
At 1 April 2011 (audited) and 30 September 2011 (unaudited)	260,015
Accumulated amortisation and impairment	
At 1 April 2011 (audited)	(10,415)
Impairment loss recognised during the period *(note 6)*	(64,405)
At 30 September 2011 (unaudited)	(74,820)
Carrying amount	
At 30 September 2011 (unaudited)	**185,195**
At 31 March 2011 (audited)	249,600

The mining right represents the right to conducting mining activities in Tumurtei, Khuder Soum, Selenge Aimag, Mongolia.

The mining right is amortised using the unit-of-production method based on the total proven and probable mineral reserves, under the assumption that the Group can renew the mining right indefinitely till all proven and probable mineral reserves have been mined.

No amortisation was provided for the period ended 30 September 2011 as commercial production of the mine has not yet commenced during the period.

The Group is required to assess any indication of impairment at the end of each reporting period. The Group has completed its semi-annual impairment test for the mining right to its carrying amount as at 30 September 2011. Impairment loss in respect of the mining right of approximately HK$64,405,000 (2010: HK$Nil) was recognised during the year ended 30 September 2011 by reference to the valuation report issued by an independent qualified professional valuers, as at 30 September 2011 which the mining right has been measured by the value in use calculation. Impairment loss recognised is due to the delay of its business plan related to the mining right.

15. TRADE AND BILLS RECEIVABLES

	At 30 September 2011 (unaudited) ***HK$'000***	At 31 March 2011 (audited) *HK$'000*
Trade receivables	**53,771**	56,684
Less: accumulated impairment	**(12,605)**	(13,010)
	41,166	43,674
Bills receivable discounted/endorsed with recourse	**5,968**	6,362
	47,134	50,036

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. The following is an aged analysis of trade receivables, net of impairment losses, and bills receivable discounted/endorsed with recourse at the respective reporting date:

	At 30 September 2011 (unaudited) ***HK$'000***	At 31 March 2011 (audited) *HK$'000*
0 to 90 days	**25,278**	30,080
91 to 180 days	**9,190**	10,046
181 to 365 days	**8,765**	9,635
1 to 2 years	**3,901**	275
	47,134	50,036

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 September 2011 (unaudited) ***HK$'000***	At 31 March 2011 (audited) *HK$'000*
Amount receivable on disposal of an associate *(note)*	**67,000**	67,000
Deposits paid	**629**	664
Prepayments	**4,251**	8,193
Other receivables	**7,362**	4,593
Prepaid lease payments	**115**	112
	79,357	80,562

Note: During the year ended 31 March 2008, the Group has disposed of the interest in an associate for a total consideration of HK$180,000,000. The amount was the remaining part of receivable from the acquirer. The acquirer is assessed to be credit worth with reference to the financial position of the acquirer.

17. TRADE PAYABLES

	At 30 September 2011 (unaudited) *HK$'000*	At 31 March 2011 (audited) *HK$'000*
Trade payables	**10,342**	13,709

The following is an aged analysis of trade payables at the respective reporting date:

	At 30 September 2011 (unaudited) *HK$'000*	At 31 March 2011 (audited) *HK$'000*
0 to 90 days	**6,157**	8,997
91 to 180 days	**1,943**	2,934
181 to 365 days	**962**	625
Over 365 days	**1,280**	1,153
	10,342	13,709

The average credit period on purchases is 3 months (31 March 2011: 3 months).

18. OTHER PAYABLES AND ACCRUALS

	At 30 September 2011 (unaudited) *HK$'000*	At 31 March 2011 (audited) *HK$'000*
Value-add tax payables	**–**	1,404
Accruals	**237**	4,727
Deposit received for disposal of subsidiaries	**–**	18,000
Other payables	**5,454**	4,588
	5,691	28,719

19. SHARE CAPITAL

	Number of shares	HK$'000
Authorised:		
Ordinary share of HK$0.05 each		
At 1 April 2011 (audited) and 30 September 2011 (unaudited)	10,000,000,000	500,000
Issued and fully paid:		
Ordinary share of HK$0.05 each		
At 1 April 2011 (audited)	3,698,745,758	184,937
Conversion of convertible notes *(note)*	180,000,000	9,000
At 30 September 2011 (unaudited)	**3,878,745,758**	**193,937**

Note:

On 6 July 2011, the holders of the convertible notes converted convertible notes of approximately HK$33,534,000 into 180,000,000 ordinary shares at a conversion price of HK$0.1863.

20. BANK BORROWINGS

	At 30 September 2011 (unaudited) ***HK$'000***	At 31 March 2011 (audited) *HK$'000*
Bank borrowings		
– secured	**46,357**	45,130
– unsecured	**–**	23,753
	46,357	68,883
The borrowings are repayable as follows:		
Within one year	**46,357**	68,883
In the second year	**–**	–
	46,357	68,883
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(46,357)**	(68,883)
Amount due for settlement after 12 months	**–**	–
Borrowing at:		
– floating rate	**46,357**	68,883
– fixed interest rate	**–**	–
	46,357	68,883

The carrying amounts of the Group's bank borrowings are all originally denominated in RMB, which is the functional currency of the group entity.

The contractual fixed and floating interest rates in respect of bank borrowings were within the following ranges:

	At 30 September 2011 (unaudited)	At 31 March 2011 (audited)
Bank borrowings	**5.6% – 6.9%**	5.6% – 6.4%

21. CONVERTIBLE NOTES

On 29 September 2010, the Company issued convertible notes due on 28 September 2017 with a principal amount of HK$546,750,000, which is interest free. The convertible notes were issued as part of the consideration for acquisition of PT Dampar. The convertible notes contain two components, liability and equity elements, and are convertible into fully paid ordinary shares with a par value of HK$0.05 each of the Company at an initial conversion price of HK$0.1863 per share, subject to adjustment. The convertible notes are not redeemable by the note holder or the Company.

The movement of the liability component of the convertible notes for the period is set out below:

	HK$'000
At 1 April 2011 (audited)	229,980
Interest expense	11,303
Converted into shares during the year	(18,527)
Fair value changes	(10,576)
At 30 September 2011 (unaudited)	**212,180**

The fair values of the convertible notes issued has been arrived on the basis of a valuation carried out on the date of issue, the dates of conversion and at the end of the reporting period by independent professional valuers not connect with the Group. At 30 September 2011, the effective interest rate was 10.75%.

22. DISPOSAL OF SUBSIDIARIES

On 18 March 2011, the Group entered into a conditional sale and purchase agreement to dispose the entire interest in Bright Central (the "Disposal") at a consideration of HK$30,000,000, which shall be satisfied in cash. The Disposal was completed on 16 May 2011.

The carrying amount of the assets and liabilities disposed of in the transaction are as follows:

	HK$'000
	(unaudited)
Net assets disposed of:	
Property, plant and equipment	45,634
Prepaid lease payment	2,095
Deposit for acquisition of property, plant and equipment	5,544
Inventories	15,682
Trade and bills receivables	13,955
Prepayments, deposits and other receivables	40,279
Bank balances and cash	6,089
Trade and bills payables	(17,132)
Other payables and accruals	(40,124)
Bank borrowings	(53,147)
	18,875
Release of exchange reserve	(5,442)
Gain on disposal of subsidiaries	16,567
Total consideration, satisfied by cash	30,000
Net cash inflow arising on the disposal:	
Cash consideration	30,000
Bank balances and cash disposed of	(6,089)
	23,911

23. SHARE OPTIONS

On 12 July 2011, the Company had granted 140,500,000 share options to directors, employees and other affiliates under the share option scheme adopted by the Company on 14 January 2002 (the "Old Share Option Scheme").

The Old Share Option Scheme has been terminated on 9 August 2011 and a new share option scheme (the "New Share Option Scheme") was adopted by the Company on 9 August 2011.

At 30 September 2011, the number of shares in respect of which share options granted and remained outstanding under the Old Share Option Scheme was 140,500,000, representing 3.6% of the shares of the Company in issue at that date.

Details of specific categories of options are as follows:

						Number of share options					
	Date of grant	Exercisable period	Exercisable price per share *HK$*	Fair value at grant date *HK$*	Closing price of the Company's share immediately before the grant date *HK$*	Outstanding at 1 April 2011	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Oustanding at 30 September 2011
Category 1: Directors	12 July 2011	12 July 2011 – 11 July 2021	0.071	0.0578	0.071	–	84,500,000	–	–	–	84,500,000
Category 2: Employees	12 July 2011	12 July 2011– 11 July 2021	0.071	0.0578	0.071	–	24,000,000	–	–	–	24,000,000
Category 3: Other affiliates	12 July 2011	12 July 2011 – 11 July 2021	0.071	0.0578	0.071	–	32,000,000	–	–	–	32,000,000
Total for all categories						–	140,500,000	–	–	–	140,500,000

The fair value of the share options granted during the six months ended 30 September 2011 were priced using the Trinomial model. The inputs into the model were as follows:

	Share option type
	Old Share Option Scheme
Grant date share price	**HK$0.071**
Exercise price	**HK$0.071**
Expected volatility	**78.743%**
Expected option life	**10 years**
Dividend yield	**0%**
Risk-free interest rate	**2.796%**

24. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2011.

25. CAPITAL COMMITMENTS

At 30 September 2011, the Group did not have any capital commitments (at 31 March 2011: HK$Nil).

26. EVENT AFTER THE END OF THE REPORTING PERIOD

On 22 August 2011, the Group entered into a non-legally binding letter of intent ("Letter of Intent") with Mr. Han Guangshou in relation to the possible acquisition of the entire issued share capital of a company incorporated in the British Virgin Island and its subsidiaries upon the reorganisation ("Target Group"). The main asset of the Target Group is the exploration right certificate in respect of an iron mine located in Hebei Province. On 31 October 2011, the Group entered into a supplemental agreement in relation to the extension of time of reorganisation. For details, please refer to the Company's announcements dated 22 August 2011 and 31 October 2011.

27. RELATED PARTY TRANSACTIONS

The Group has the following significant transactions with related parties during the period:

	For the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Key management compensation		
Short-term benefits	**1,041**	466
Post employment benefits	**12**	6
Share-based payment expense	**4,884**	–
	5,937	472
Management service income received from a related company	**141**	139
	6,078	611

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospect

For the six months ended 30 September 2011, the Group's turnover which was mainly generated from its principal business of pharmaceutical operation, amounted to approximately HK$58.7 million (2010: approximately HK$77.3 million), representing a decrease of approximately 24% as compared to the corresponding period last year. Correspondingly, the gross profit of the Group for the six months ended 30 September 2011 dropped to approximately HK$18 million (2010: approximately HK$27 million). Gross profit margin decreased to approximately 31% (2010: approximately 35%) as compared to the same period last year.

For the six months ended 30 September 2011, the net loss attributable to owners of the Company, amounted to approximately HK$68.3 million (2010: net loss of approximately HK$14.9 million), which was mainly due to a substantial decrease in fair value of the Mongolia Mining Right of approximately HK$64.4 million in accordance with the valuation report of an Independent Valuer.

Basic and diluted loss per share from operations was 1.81 HK cents for the six months ended 30 September 2011 (six months ended 30 September 2010: basic and diluted loss per share of 0.52 HK cents).

Pharmaceutical Operation

With the disposal of our pharmaceutical factory in Wenzhou in May 2011, the sales and gross profit of the pharmaceutical segment recorded a significant drop for the six months ended 30 September 2011.

During the period under review, the market environment of the Pharmaceutical Operation continued to be extremely competitive. Selling prices had been declining amid a glutted market. The production cost of intravenous fluid remained high due to increase in wages and raw material costs in Mainland China. Under these circumstances, the profit margin of this business had been under increasing pressure. As a result, this segment recorded a loss of approximately HK$5.3 million as compared to a loss of approximately HK$1.6 million in the same period last year.

The Group will continue soliciting new customers to further expand its sales geographically. To strengthen its capability of serving both existing and new customers, the Group will pursue new areas on further investment in enhancing the productivity and efficiency of our pharmaceutical operation.

Iron Ore Mining Operation

Mongolia Iron Mine

During the period under review, the business plan of the Mongolia Iron Mine was further delayed due to the resignation of the key personnel, Mr. Danny Sun and Ms. Lee Yang (both of them have extensive experience in resources industry) in September 2010. The Company is in the course of re-considering the overall operating strategy for the Mongolia Iron Mine. These include but not limited to the following possible approaches, (i) recruiting expertise staff to start the exploitation of the Mongolia Iron Mine; (ii) leasing the exploration and exploitation rights of the Mongolia Iron Mine to third party; (iii) cooperating with other local mining companies which has exploration experience and expertise led by professional geologists; or (iv) disposing of the Mongolia Iron Mine.

As a result of the delay in business plan and the change in iron price forecast, a decrease in fair value of the Mining Right of approximately HK$64.4 million was recorded in accordance with the valuation report of an Independent Valuer.

At present, the Company is still using its best endeavour to recruit suitable candidates for the operation of the Mongolia Iron Mine. Nevertheless, the Company will position itself to take advantages of opportunities that are to the best of the Company and Shareholders as a whole.

Indonesia Mine

During the period under review, PT Dampar (Group's 55% subsidiary) got approval from the holder of Production Operation Mining Business License, PT. Indo Modern Mining Sejahtera, and commenced the site preparation. Upon completion, installation of the ore processing machines will be arranged on the site.

As at the report date, all 12 separator machines have been relocated to the new warehousing/ stockpile facility at Kajaran, a village adjacent to PT Dampar site, of which 2 of the separator machines have been moved to the mine's work site area at Dampar ready for assembling. PT Dampar has also established good working relationship with the local villagers who will assist in the local transportation of iron sand. The stockpile facility at Kajaran will be used to store the processed iron sand prior to transporting to Surabaya for shipment overseas.

With the establishment of screening plants, PT Dampar expects the initial production and first trial order will be made in early 2012.

PT Dampar aims to provide high-quality iron concentrates at a low production cost exporting to medium-size steel-makers in PRC and other regions in Asia. At its early stage of production, PT Dampar will sell low concentration unprocessed iron sand.

In the long run, we will set up refinery plants nearby the mining area for filtering the iron sands in order to enhance the concentration and quality of its final product.

INTERIM DIVIDEND

The Board of directors has resolved not to declare an interim dividend for the six months ended 30 September 2011 (2010: HK$Nil).

CAPITAL STRUCTURE

Shareholders' equity decreased to approximately HK$543,785,000 as at 30 September 2011 from approximately HK$586,842,000 as at 31 March 2011. As at 30 September 2011, the short term and long term interest bearing debts to shareholders' equity was approximately 8.5% (at 31 March 2011: approximately 20.5%).

MATERIAL ACQUISITION AND DISPOSAL

As announced on 16 May 2011, the Group has completed the disposal of one of its pharmaceutical business on 16 May 2011.

Save as disclosed herein, during the period under review, there were no other material acquisitions or disposals of subsidiaries or associates of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2011, the Group had total assets of approximately HK$1,076,909,000 (at 31 March 2011: approximately HK$1,267,800,000) which was financed by current liabilities of approximately HK$62,390,000 (at 31 March 2011: approximately HK$191,937,000), non-current liabilities of approximately HK$212,180,000 (at 31 March 2011: approximately HK$229,980,000), non-controlling interests of approximately HK$258,554,000 (at 31 March 2011: HK$259,041,000) and shareholders' equity of HK$543,785,000 (at 31 March 2011: approximately HK$586,842,000).

As at 30 September 2011, the Group's current ratio was approximately 3.6 (at 31 March 2011: approximately 1.81); and gearing ratio, representing the total bank borrowings and amount due to a shareholder divided by the shareholders' equity, was approximately 8.5% (at 31 March 2011: approximately 20.5%). The total outstanding borrowings of the Group as at 30 September 2011 were denominated in Renminbi, of which 100% borrowings was interest-bearing with variable rates (at 31 March 2011: approximately 50% borrowings was interest-bearing with variable rates, while interest of the remaining balances was calculated on fixed interest rates).

As at 30 September 2011, certain buildings with aggregate carrying amount of approximately HK$29,280,000 (at 31 March 2011: approximately HK$29,587,000), plant and machinery amounting to approximately HK$20,849,000 (at 31 March 2011: approximately HK$9,678,000), land use rights amount of approximately HK$4,162,000 (at 31 March 2011: approximately HK$6,249,000) and bank deposit amount of HK$Nil (at 31 March 2011: approximately HK$1,820,000) had been pledged to secure banking facilities granted to the Group.

As at 30 September 2011, 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, US Dollars and Renminbi which have been relatively stable during the period. The Group was not exposed to material exchange risk and had not employed any financial instruments for hedging purposes.

EMPLOYEE AND REMUNERATION POLICY

As at 30 September 2011, the Group has approximately 506 employees in Hong Kong, Mongolia, Indonesia and the PRC. Remuneration packages are generally structured accordingly 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 THE COMPANY'S LISTED SECURITIES

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 30 September 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers that the Group was in full compliance with the requirements of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the period under review, except that none of the 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 BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry of all directors, that they have fully complied with the required standards set out in the Model Code throughout the six months ended 30 September 2011.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting standards and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2011.

PUBLICATION OF OTHER FINANCIAL INFORMATION

Other financial information containing all the information required by Appendix 16 of the Listing Rules will be available on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and the Company's websites on www.asiaresources899.com and www.aplushk.com/clients/0899asiaresources in due course.

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

Hong Kong, 28 November 2011

As at the date of this announcement, the Board of the Company consists of three executive Directors, Mr. Chim Kim Lun, Ricky, Mr. Chan Sung Wai and Mr. Wong King Lam, Joseph; 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.