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 2011

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 2011 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

		2011	2010
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**157,929**	135,320
Cost of sales		**(107,633)**	(81,557)
Gross profit		**50,296**	53,763
Other revenue	*4*	**783**	1,562
Other gains	*5*	**9,720**	5,307
Distribution and selling expenses		**(38,001)**	(40,159)
Administrative expenses		**(30,878)**	(41,509)
Loss on early redemption of promissory notes		**(298)**	(20,502)
Other expenses	*6*	**(13,707)**	(7,670)
Finance costs		**(23,184)**	(21,135)

* *For identification purposes only*

	Notes	**2011** **HK$'000**	2010 *HK$'000*
Loss before taxation	*7*	**(45,269)**	(70,343)
Taxation	*8*	**–**	63
Loss for the year		**(45,269)**	(70,280)
Other comprehensive income, net of tax			
Exchange differences on translating foreign operations		**4,899**	1,439
Other comprehensive income for the year, net of tax		**4,899**	1,439
Total comprehensive expenses for the year		**(40,370)**	(68,841)
Loss attributable to:			
Owners of the Company		**(45,061)**	(70,280)
Non-controlling interest		**(208)**	–
		(45,269)	(70,280)
Total comprehensive expenses attributable to:			
Owners of the Company		**(40,162)**	(68,841)
Non-controlling interest		**(208)**	–
		(40,370)	(68,841)
		HK cents	*HK cents*
Loss per share – Basic and diluted		**(1.39)**	(4.24)

All operations of the Group are classified as continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**84,740**	126,610
Prepaid lease payments		**3,996**	5,986
Intangible assets		**576,334**	27
Mining right		**249,600**	260,015
Deposits for acquisition of property, plant and equipment		**5,427**	4,984
		920,097	397,622
Current assets			
Inventories		**14,381**	23,844
Trade and bills receivables	*10*	**50,036**	61,512
Prepayments, deposits and other receivables		**80,562**	138,069
Amount due from non-controlling interest		**804**	–
Financial assets at fair value through profit or loss		**728**	577
Pledged bank deposits		**–**	6,826
Bank balances and cash		**100,520**	65,953
		247,031	296,781
Asset classified as held for sale		**100,672**	–
		347,703	296,781
Current liabilities			
Trade and bills payables	*11*	**13,709**	55,358
Other payables and accruals		**28,719**	21,185
Amount due to a shareholder		**–**	3,000
Bank borrowings		**68,883**	72,810
Promissory notes		**–**	93,956
		111,311	246,309
Liabilities directly associated with assets classified as held for sale		**80,626**	–
		191,937	246,309
Net current assets		**155,766**	50,472
Total assets less current liabilities		**1,075,863**	448,094

	Notes	2011 HK$'000	2010 HK$'000
Capital and reserves			
Share capital		**184,937**	101,530
Reserves		**401,905**	336,723
Total equity		**586,842**	438,253
Non-controlling interest		**259,041**	–
		845,883	438,253
Non-current liability			
Bank borrowings		**–**	9,841
Convertible notes	*12*	**229,980**	–
		229,980	9,841
		1,075,863	448,094

Notes:

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

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs – amendments to HKFRS 5
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 28 (Revised 2008)	Investments in Associates
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK- Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Directors anticipate that the application of the other new HKFRSs will have no material impact on the consolidated financial statements.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised 2011)	Separate Financial Statements[6]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[6]
HKFRS 1 (Amendment)	Limited Exemption from comparative HKFRS 7 – Disclosures for First-time Adopters[2]
HKFRS 1 (Amendment)	Sever Hyperinflation and Removal of Fixed Dates for First- time Adopters[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[6]
HKFRS 11	Joint Arrangements[6]
HKFRS 12	Disclosure of Interests in Other Entities[6]
HKFRS 13	Fair Value Measurement[6]
HK(IFRIC) – Int 14 (Amendment)	HKAS 19 – The Limit of Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 *Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate*

2 *Effective for annual periods beginning on or after 1 July 2010*

3 *Effective for annual periods beginning on or after 1 January 2011*

4 *Effective for annual periods beginning on or after 1 July 2011*

5 *Effective for annual periods beginning on or after 1 January 2012*

6 *Effective for annual periods beginning on or after 1 January 2013*

HKFRS 9 *Financial Instruments* 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.

The standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investment that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 will affect the classification and measurement of the Group's financial assets.

In relation of 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. Previously, under HKAS 39, the entire amount of 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 will be effective from 1 January 2013, with earlier application permitted.

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.

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 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.

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.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. 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. During the year, the Group has acquired a 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 non-controlling interest of the subsidiary. These operations have been aggregated into a single operating segment and named "Iron ore exploration, exploitation and trading operations".

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 March

	Manufacturing and sales of pharmaceutical products		Iron ore exploration, exploitation and trading operations		Consolidation	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**157,929**	135,320	**–**	–	**157,929**	135,320
Total revenue	**157,929**	135,320	**–**	–	**157,929**	135,320
Segment results	**(9,974)**	(12,392)	**(2,075)**	(4,884)	**(12,049)**	(17,276)
Unallocated corporate expenses						
Other revenue					**783**	1,562
Other gains					**5,710**	4,945
Other expenses					**(13,707)**	(7,670)
Fair value change on financial assets at fair value through profit or loss					**151**	362
Fair value change on convertible notes					**3,860**	–
Central administration costs					**(6,535)**	(10,629)
Loss on redemption of promissory notes					**(298)**	(20,502)
Finance costs					**(23,184)**	(21,135)
Loss before taxation					**(45,269)**	(70,343)
Taxation					**–**	63
Loss for the year					**(45,269)**	(70,280)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year.

Segment results represent the loss suffered by each segment without allocation of other revenue, other gain, other expenses, fair value change on financial assets at fair value through profit or loss, fair value change on convertible notes, central administration costs, loss on early redemption of promissory notes, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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

	Manufacturing and sales of pharmaceutical products		**Iron ore exploration, exploitation and trading operation**		**Total segment assets and liabilities**	
	At 31 March 2011	At 31 March 2010	**At 31 March 2011**	At 31 March 2010	**At 31 March 2011**	At 31 March 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS						
Segment assets	**290,383**	269,162	**834,803**	261,481	**1,125,186**	530,643
Unallocated corporate assets					**142,614**	163,760
Consolidated total assets					**1,267,800**	694,403
LIABILITIES						
Segment liabilities	**(186,254)**	(155,643)	**(4,480)**	(94,936)	**(190,734)**	(250,579)
Unallocated corporate liabilities					**(231,258)**	(5,571)
					(421,992)	(256,150)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

All assets are allocated to reportable segments other than financial assets at fair value through profit or loss and unallocated corporate assets (mainly include property, plant and equipment, cash and bank balances that are used by the investment holding company and other receivables that are receivable by the investment holding companies).

All liabilities are allocated to reportable segments other than convertible notes and unallocated corporate liabilities (mainly include other payables and accruals borne by the investment holding companies).

Other segment information

	Manufacturing and sales of pharmaceutical products		Iron ore exploration, exploitation and trading operation		Other corporate entities		Total segment assets	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Additions to property, plant and equipment	**18,250**	38,573	**748**	119	**194**	15	**19,192**	38,707
Depreciation of property, plant and equipment	**20,869**	18,162	**279**	82	**23**	294	**21,171**	18,538
Amortisation of prepaid lease payments	**229**	219	**–**	–	**–**	–	**229**	219
Amortisation of intangible assets	**28**	39	**–**	–	**–**	–	**28**	39
Provision for impairment loss on trade receivables	**3,292**	7,670	**–**	–	**–**	–	**3,292**	7,670
Provision for impairment loss on mining right	**–**	–	**10,415**	–	**–**	–	**10,415**	–

Geographical information

The Group operates in four principal geographical areas – the PRC, Hong Kong, Mongolia and Indonesia.

The Group's revenue generated from external customers during the years ended 31 March 2011 and 2010 were generated in the PRC.

The Group's information about its non-current assets by geographical location are detailed below:

	Non-current assets	
	2011	2010
	HK$'000	*HK$'000*
PRC	**87,712**	137,238
Hong Kong	**207**	36
Mongolia	**250,129**	260,348
Indonesia	**582,048**	–
	920,096	397,622

Information about major customers

Included in revenue arising from sales of pharmaceutical products of approximately HK$157,929,000 (2010: approximately of HK$135,320,000). No single customers contributed 10% or more to the Group's revenue for both 2011 and 2010.

3. 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 years ended 31 March 2011 and 2010.

4. OTHER REVENUE

	2011	2010
	HK$'000	*HK$'000*
Interest income on bank deposits	**199**	539
Interest income on other receivables	**–**	843
	199	1,382
Rental income	**12**	11
Dividend income	**51**	38
Sundry income	**521**	131
	783	1,562

5. OTHER GAINS

	2011	2010
	HK$'000	*HK$'000*
Reversal of impairment loss on trade receivables	**5,509**	4,782
Fair value change on financial assets at fair value through profit or loss	**151**	362
Fair value change on convertible notes	**3,860**	–
Gains on disposal of property, plant and equipment	**200**	163
	9,720	5,307

6. OTHER EXPENSES

	2011	2010
	HK$'000	*HK$'000*
Provision for impairment on mining right	**10,415**	–
Provision for impairment on trade receivables	**3,292**	7,670
	13,707	7,670

7. LOSS BEFORE TAXATION

	2011	2010
	HK$'000	*HK$'000*
Directors' remuneration	**943**	548
Other staff costs	**21,629**	17,058
Other staff's retirement benefits scheme contributions	**3,149**	2,977
Total salaries	**25,721**	20,583
Depreciation of property, plant and equipment	**21,171**	18,538
Amortisation of intangible assets (included in administrative expenses)	**28**	39
Total depreciation and amortisation	**21,199**	18,577
Auditors' remuneration	**380**	380
Amortisation of prepaid lease payments	**229**	219
Minimum lease payments under operating leases	**500**	868
Cost of inventory recognised as an expense	**105,185**	73,585
Written off of inventories	**–**	351

8. TAXATION

	2011	2010
	HK$'000	*HK$'000*
Current tax		
The PRC enterprise income tax refund	**–**	759
Under provision of the PRC enterprise income tax in prior years	**–**	(696)
Tax credit for the year	**–**	63

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.

Subsidiaries in the PRC are subject to the PRC Enterprise Income Tax at 25% for the years ended 31 March 2011 and 2010.

9. 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:

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	**45,061**	70,280
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**(11,364)**	–
Loss for the purpose of diluted loss per share	**33,697**	70,280

	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,246,250**	1,658,138
Effect of dilutive potential ordinary share:		
Convertible notes	**1,150,347**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**4,396,597**	1,658,138

Diluted loss per share for the year ended 31 March 2011 was the same as the basic loss per share. The Company's outstanding convertible notes were included in the calculation of diluted loss per share because the effect of the Company's outstanding convertible notes was anti-dilutive.

There were no diluting event existed during the year ended 31 March 2010.

10. TRADE AND BILLS RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**56,684**	73,798
Less: accumulated impairment	**(13,010)**	(19,141)
	43,674	54,657
Bills receivables discounted/endorsed with recourse	**6,362**	6,855
	50,036	61,512

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 aging analysis of trade receivables, net of impairment losses, and bills receivable discounted/endorsed with recourse at the end of the reporting period:

	2011	2010
	HK$'000	*HK$'000*
0 to 90 days	**30,080**	39,498
91 to 180 days	**10,046**	11,677
181 to 365 days	**9,635**	4,121
1 to 2 years	**275**	6,216
	50,036	61,512

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit quality attributed to customers are reviewed periodically. At 31 March 2011, approximately 80% (2010: 83%) of the trade receivables are neither past due nor impaired, and are assessed to be of satisfactory credit quality with reference to the past track records.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$9,910,000 (2010: HK$10,337,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2011	2010
	HK$'000	*HK$'000*
181 to 365 days	**9,635**	4,121
1 to 2 years	**275**	6,216
	9,910	10,337

Movement in the provision for impairment loss recognised in respect of trade receivables

	2011	2010
	HK$'000	*HK$'000*
Balance at beginning of the year	**19,141**	14,334
Impairment losses recognised on trade receivables	**3,292**	7,670
Impairment losses reversed	**(5,509)**	(4,782)
Reclassified to asset held for sale	**(4,705)**	–
Exchange adjustments	**791**	1,919
Balance at end of the year	**13,010**	19,141

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Included in the allowance for doubtful debts are all individually impaired trade receivables which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

During the year ended 31 March 2011, the Group has recovered trade receivables of approximately HK$5,509,000 (2010: HK$4,782,000) which has be impaired in previous years.

Ageing of impaired trade receivables

	2011	2010
	HK$'000	*HK$'000*
181 – 365 days	**–**	7,670
1 to 2 years	**13,010**	11,471
	13,010	19,141

Transfer of financial assets

At 31 March 2011, the Group's bills receivables of approximately HK$6,362,000 (2010: HK$6,855,000) had been transferred to unrelated suppliers with recourse. As the Group is still exposed to credit risk on these bills receivable, the Group continues to recognise the full carrying amount of the bills receivable and record associated trade payables of approximately HK$6,362,000 (2010: HK$6,855,000) in the consolidated statement of financial position.

11. TRADE AND BILLS PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**13,709**	21,228
Bills payables	**–**	34,130
	13,709	55,358

The following is an aging analysis of trade payables at the end of the reporting period:

	2011	2010
	HK$'000	*HK$'000*
0 to 90 days	**8,997**	13,799
91 to 180 days	**2,934**	2,898
181 to 365 days	**625**	3,092
Over 365 days	**1,153**	1,439
	13,709	21,228

The average credit period on purchases is 3 months (2010: 3 months).

Bills payables were secured by certain bank deposits.

12. 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 Golden International ("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 effective interest rate on the date of issue is approximately 9.84%. The convertible notes are not redeemable by the note holder(s) or the Company.

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

	2011
	HK$'000
At 1 April 2010	–
Initial recognition *(note 13)*	283,370
Interest expenses	11,364
Converted into shares during the year	(60,894)
Fair value changes	(3,860)
At 31 March 2011	**229,980**

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 Norton Appraisals Limited, independent professional valuers not connect with the Group. The effective interest rate are in the range of 9.84% to 10.69%.

13. ACQUISITION OF INTANGIBLE ASSET AND OTHER ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

On 23 October 2009, the Group entered into a conditional sale and purchase agreement and supplemental agreements to acquire 55% of the entire issued share capital in PT. Dampar at a consideration of HK$577,500,000. The main asset of PT. Dampar is the exclusive right to manage, refine and sell the iron sand at the mining area held by a minority shareholder, PT. Indo Modern Mining Sejahtera. The consideration was satisfied by (i) HK$30,750,000 in cash and (ii) HK$546,750,000 by the Company's issue to Empire Bridge Assets Limited of convertible notes. The acquisition was completed on 29 September 2010.

PT. Dampar has not carried out any significant business transactions on acquisition date. In the opinion of the directors, the acquisition did not constitute an acquisition of business in substance. The acquisition of the exclusive right was then considered as acquisition of assets through acquisition of a subsidiary. Therefore, the acquisition was not accounted for as a business combination in accordance with the requirements of HKFRS 3 *Business Combinations*.

Instead of considering the fair values of the assets and liabilities acquired, the directors of the Company considered that it is reliable to apply fair values of the consideration paid, as determined in accordance with HKFRS 2 *Share-based Payments* to account for the acquisition cost of the identifiable assets and liabilities.

The fair values of the identifiable assets and liabilities acquired in the transaction are as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	15
Intangible assets	576,334
Cash and bank balances	369
Amount due to non-controlling interest	(1,778)
Fair value of net assets	574,940
55% of the entire equity interest in PT. Dampar	316,217
Satisfied by:	
Cash	30,750
Convertible notes, at fair value *(note 12)*	283,370
Acquisition-related costs	2,097
	316,217
Net cash outflow arising on the acquisition:	
Cash consideration paid	(30,750)
Cash and bank balances acquired	369
	(30,381)

Notes:

During the year ended 31 March 2011, no turnover and loss was contributed by PT. Dampar as it has not carried out any significant business transaction since the acquisition.

14. DIVIDENDS

The Board does not recommend the payment of final dividend for the year (2010: nil).

RESULTS OF THE YEAR

For the year ended 31 March 2011, the turnover of the Group was HK$157,929,000 (2010: HK$135,320,000), an increase of 16.7% as compared with last year. Correspondingly, the Group had reduced its loss attributable to owners of the Company by 35.9% to HK$45,061,000 (2010: loss of HK$70,280,000).

The reduction of loss were mainly attributable to (i) improvement of HK$2,418,000 in the manufacturing and sales of pharmaceutical products segment; (ii) gain on fair value change in respect of financial liability of HK$3,860,000 (convertible notes) reflected through profit or loss account; and (iii) decrease in loss on early redemption of promissory notes of HK$20,204,000.

The basic and diluted loss per share for the year ended 31 March 2011 was HK1.39 cents (2010: basic and diluted loss per share of HK4.24 cents).

BUSINESS REVIEW

During the year ended 31 March 2011, we have conducted an overall review on the Group's performance and investments. We believed that an overhaul of the Group's operations was necessary to safeguard the maximum interest of the shareholders.

In respect of the intravenous fluids business, we have reviewed the progress and effect of the restructuring of the production plants in our factories. Consequently, we have found that the restructuring process to enhance the production capacity was proved to be successful in our Siping factory; it has resumed profitability during the year under review. However, the restructuring process in our Wenzhou factory was not yet succeeded, and its performance was not in line with the Group's expectation. As a result, the factory in Wenzhou was disposed on 16 May 2011. The Group believes that the disposal of the Wenzhou factory creates a good opportunity for the Group to concentrate its resources in the Siping factory and the iron mine business.

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. As a result of the delay, a decrease in fair value of Mining Right of HK$10,415,000 was recorded in accordance with the valuation report of an Independent Valuer.

Since completion of the acquisition of 55% of the entire issued share capital in PT. Dampar Golden International ("PT. Dampar") on 29 September 2010, the Company has set up an office and recruited local staffs in Surabaya so as to start up its trading of iron sand business in Indonesia. Also, we have engaged project managers to monitor the development of the said trading business in Indonesia. It is expected that the trading business will be commenced in the last quarter of 2011.

In addition to maintaining stable operation of the existing business, the Group is actively exploring opportunities to achieve further business diversification, with an aim to broaden its revenue stream and earning base. We are confident to improve the overall efficiency of the Group and are committed to achieve satisfactory return for the shareholders.

DIVIDEND

The Board does not recommend the payment of final dividend for the year (2010: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Pharmaceutical Operation

The operating environments of the Pharmaceutical Operation for the year under review were still full of challenges.

During the fiscal year, the Group continued its tight control over costs and enhancement of operating efficiency. While we restructured the Wenzhou factory, the high and rising operating cost in Wenzhou City the PRC, like labor cost, production cost and very keen competition, caused the said factory still suffered a loss. In view of the unsatisfactory performance of the Wenzhou factory, the Board took a strategic initiative to dispose the factory on 18 March 2011.

Whereas, for Siping factory, the restructure of enhancement of production capacity was found successful, increasing both its production and sales volumes, mitigating the impact of decline in selling price.

As a result, the Group recorded an increase of approximately 16.7% in the revenue from this segment to approximately HK$157,929,000 as compared with approximately HK$135,320,000 of last year.

With the increase in cost and decline in selling price, the gross profit for the segment decreased to approximately HK$50,296,000, representing a decrease of 6.4% as compared with approximately HK$53,763,000 last year.

Having said that, we have successfully imposed tight control over the administration, distribution and selling expenses, thus this segment loss reduced to approximately HK$9,974,000, representing an improvement of 19.5% as compared with loss of approximately HK$12,392,000 last year.

Looking forward to next year, with disposal of the poor performed Wenzhou factory in May 2011, the Group will continue improving the production capacity of the remaining factory in Siping, and incorporating effective control over administration, distribution and selling expenses. We have confidence to further enhance the financial results of the intravenous fluids business in the coming year.

Iron Ore Mine Operation

Since completion of the acquisition of the Mongolia subsidiary (Tian Sheng Group) in June 2009, the Mongolia Iron Mine operation was stagnant. The business plan was further postponed 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. To deal with this, the company is in the course of re-considering the overall operating strategy for Mongolia Iron Mine. These include but not limited to the following possible approaches, (i) recruiting expertise staff to start the exploration & exploitation work of the Mongolia Iron Mine; (ii) leasing the exploration right 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.

In respect of the iron mining business in Indonesia acquired on 29 September 2010, the Company has set up an office and recruited local staffs in Surabaya, so as to start up its trading of iron sand business in Indonesia. Project managers have been engaged to monitor the development of the said trading business in Indonesia. Separators machines have been ready and placed in the temporary warehouse at Lumajang, Indonesia, and will be installed in mine site once obtaining the necessary permit. It is expected that the trading business will be commenced in the last quarter of 2011.

Accordingly, the Iron Ore Mine Operation segment recorded a loss of approximately HK$2,075,000 for the year ended 31 March 2011. The loss was mainly comprised of administrative expenses.

During the year under review, the Group incurred non-cash finance costs of HK$16,511,000 as a result of the imputed interests on promissory notes (HK$5,147,000) and the convertible notes (HK$11,364,000) issued to the vendors of Mongolia Iron Mine and Indonesia Iron Mine business.

In accordance with the valuation report of the equity component of the convertible note issued, fair value change in respect of financial liability of HK$3,860,000 (convertible note) was reflected through profit or loss account; this non-cash item enhanced our financial results accordingly.

CAPITAL STRUCTURE

Shareholders' equity increased to approximately HK$586,842,000 as at 31 March 2011 from approximately HK$438,253,000 as at 31 March 2010. As at 31 March 2011, the short term and long term interest bearing debts to shareholders' equity was approximately 20.5% (as at 31 March 2010 : approximately 18.8%).

As announced on 4 March 2010, the Group proposed an Open Offer of 1,015,300,295 offer shares on the basis of one offer share for every two shares held on 23 March 2010 at the offer price of HK$0.13. The Open Offer was completed on 30 April 2010 and 1,015,300,295 offer shares were issued.

On 18 October 2010 and 15 December 2010, the holders of the convertible notes converted convertible notes of approximately HK$110,447,000 and HK$11,178,000 respectively into 592,844,873 and 60,000,000 ordinary shares at a conversion price of HK$0.1863.

The Directors believe that the above fund raising exercise provides an opportunity to broaden the shareholder base and strengthens its capital base and financial position for its future business developments. The Group used the net proceeds of the Open Offer as partial settlement of consideration of previous acquisition of the mining right of Mongolia Mine and the exclusive right of Indonesia iron sand trading business acquired in September 2010 and further post acquisition cashflow requirements of Indonesia Iron Mine business.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2011, the Group had total assets of HK$1,267,800,000 (2010: HK$694,403,000) which was financed by current liabilities of HK$191,937,000 (2010: HK$246,309,000), non-current liability of HK$229,980,000 (2010: HK$9,841,000), non-controlling interests of approximately HK$259,041,000 (2010: HK$nil) and shareholders' equity of HK$586,842,000 (2010: HK$438,253,000). The Group's current ratio as at 31 March 2011 was approximately 1.81 (2010: 1.20) and gearing ratio, representing the total borrowings and amount due to a shareholder divided by the shareholders' equity was approximately 20.5% (2010: 19.54%). The total outstanding borrowings of the Group as at 31 March 2011 were denominated in Renminbi, about 50% (2010: 48%) borrowings was interest-bearing with variable rates while interest of the remaining balances was calculated on fixed interest rates.

As at 31 March 2011, certain buildings with aggregate carrying amount of approximately HK$43,480,000 (2010: approximately HK$31,050,000), plant and machinery amounting to approximately HK$38,490,000 (2010: HK$23,872,000), land use rights amount of approximately HK$6,249,000 (2010: HK$6,205,000) and bank deposits amount of approximately HK$1,820,000 (2010: HK$6,826,000) had been pledged to secure banking facilities granted to the Group. As at 31 March 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, Renminbi and US Dollars which have been relatively stable during the year ended 31 March 2011. 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 767 employees in Hong Kong, Indonesia and the PRC as at 31 March 2011. 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.

MATERIAL ACQUISITION AND DISPOSALS DURING THE YEAR

On 20 March 2011, the Group announced the disposal of one of its pharmaceutical operation. The disposal was completed on 16 May 2011.

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

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.

EVENT AFTER THE REPORTING PERIOD

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

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:

The Non-executive Directors were not appointed for a specific term but subject to retirement by rotation and re-election for every three years at the annual general meeting pursuant to the Bye-laws 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, directors confirmed that they had complied with the required standard set out in the Model Code.

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 standards and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of interim and annual financial statements.

PUBLICATION OF RESULTS AND ANNUAL REPORT

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

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

Hong Kong, 27 June 2011

As at the date of this announcement, the Board consists of four executive directors, Mr. Chim Kim Lun, Ricky, Mr. Chan Sung Wai, Mr. Chan Hau Kong (suspended) and Mr. Wong King Lam, Joseph; one non-executive director, Mr. Tong Leung Sang; and four independent non-executive Directors, Mr. Yiu Fai Ming, Mr. Zhang Xianlin, Mr. Tse Yuk Kong and Mr. Lum Pak Sum.