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 2012

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 2012 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	**2012** ***HK$'000***	2011 *HK$'000*
Revenue	*3*	**113,586**	157,929
Cost of sales		**(89,347)**	(107,633)
Gross profit		**24,239**	50,296
Other revenue	*4*	**1,090**	783
Other gains	*5*	**45,418**	9,720
Distribution and selling expenses		**(30,563)**	(38,001)
Administrative expenses		**(27,338)**	(30,878)
Loss on early redemption of promissory notes		**–**	(298)
Other expenses	*6*	**(141,348)**	(13,707)
Finance costs		**(26,872)**	(23,184)

* *For identification purposes only*

	Notes	**2012** HK$'000	2011 HK$'000
Loss before taxation	*7*	**(155,374)**	(45,269)
Taxation	*8*	**(202)**	–
Loss for the year		**(155,576)**	(45,269)
Other comprehensive (expense)/income, net of tax			
Exchange differences on translating foreign operations		**(1,129)**	4,899
Other comprehensive (expense)/income for the year, net of tax		**(1,129)**	4,899
Total comprehensive expenses for the year		**(156,705)**	(40,370)
Loss attributable to:			
Owners of the Company		**(154,276)**	(45,061)
Non-controlling interest		**(1,300)**	(208)
		(155,576)	(45,269)
Total comprehensive expenses attributable to:			
Owners of the Company		**(155,405)**	(40,162)
Non-controlling interest		**(1,300)**	(208)
		(156,705)	(40,370)
		HK cents	*HK cents*
Loss per share	*9*		
– Basic and diluted		**(4.03)**	(1.39)

All operations of the Group are classified as continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**83,411**	84,740
Prepaid lease payments		**4,023**	3,996
Intangible assets		**576,334**	576,334
Mining right		**183,433**	249,600
Deposits for acquisition of property, plant and equipment		**–**	5,427
		847,201	920,097
Current assets			
Inventories		**15,054**	14,381
Trade and bills receivables	*11*	**45,688**	50,036
Prepayments, deposits and other receivables		**6,876**	80,562
Amount due from non-controlling interest		**738**	804
Tax receivables		**568**	–
Financial assets at fair value through profit or loss		**741**	728
Bank balances and cash		**81,815**	100,520
		151,480	247,031
Asset classified as held for sale		**–**	100,672
		151,480	347,703
Current liabilities			
Trade payables	*12*	**9,330**	13,709
Other payables and accruals		**6,807**	28,719
Amount due to non-controlling interest		**1,460**	–
Bank borrowings		**59,048**	68,883
		76,645	111,311
Liabilities directly associated with assets classified as held for sale		**–**	80,626
		76,645	191,937
Net current assets		**74,835**	155,766
Total assets less current liabilities		**922,036**	1,075,863

	Notes	2012 *HK$'000*	2011 *HK$'000*
Capital and reserves			
Share capital		**193,937**	184,937
Reserves		**264,148**	401,905
Total equity		**458,085**	586,842
Non-controlling interest		**257,741**	259,041
		715,826	845,883
Non-current liability			
Bank borrowings		**–**	–
Convertible notes		**206,210**	229,980
		206,210	229,980
		922,036	1,075,863

Notes:

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

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2011.

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

The application of the above New HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 1 (Amendments)	Government loans[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 7 and Transition Disclosures[6]
HKFRS 9	Financial Instruments[6]
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]
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]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[5]
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*

[5] *Effective for annual periods beginning on or after 1 January 2014*

[6] *Effective for annual periods beginning on or after 1 January 2015*

The amendments to HKFRS 7 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 of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The revised disclosure requirements contained in the amendments HKFRS 7 are intended to help investors and other financial statements users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The amendments also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. Companies and other entities are required to apply the amendments for annual periods beginning on or after 1 January 2013, and also interim periods within those annual periods. The required disclosures should be provided retrospectively.

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "*Financial Instruments: Recognition and Measurement*" to be subsequently measured at 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 reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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 2015, with earlier application permitted.

HKFRS 10 replaces the parts of HKAS 27 "*Consolidated and Separate Financial Statements*" that deal with consolidated financial statements and HK (SIC)-Int 12 "*Consolidation – Special Purpose Entities*". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "*Interests in Joint Ventures*" and HK (SIC)-Int 13 "*Jointly Controlled Entities – Non-Monetary Contributions by Venturers*". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a standard for disclosure and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "*Financial Instruments: Disclosures*" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012.

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions.

The amendments to HKAS 32 address inconsistencies in current practice when applying the offsetting criteria and clarify:

- the meaning of "currently has a legally enforceable right of set-off"; and

- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

The Group is in the process of assessing the potential impact of the above New HKFRSs upon initial application but is not yet in a position to state whether the above New HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

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. In addition, the Group held 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 result

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	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**113,586**	157,929	**–**	–	**113,586**	157,929
Total revenue	**113,586**	157,929	**–**	–	**113,586**	157,929
Segment results	**(24,316)**	(9,974)	**(2,444)**	(2,075)	**(26,760)**	(12,049)
Unallocated corporate expenses						
Other revenue					**1,090**	783
Other gains					**18,034**	5,709
Other expenses					**(141,348)**	(13,707)
Fair value changes on financial assets at fair value through profit or loss					**13**	151
Fair value changes on convertible notes					**27,371**	3,860
Central administration costs					**(6,902)**	(6,534)
Loss on redemption of promissory notes					**–**	(298)
Finance costs					**(26,872)**	(23,184)
Loss before taxation					**(155,374)**	(45,269)
Taxation					**(202)**	–
Loss for the year					**(155,576)**	(45,269)

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 interest income, other income, fair value change on financial assets at fair value through profit or loss, fair value changes on convertible notes, central administration costs, loss on early redemption of promissory notes, other expenses, 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**	
	At 31 March 2012	At 31 March 2011	**At 31 March 2012**	At 31 March 2011	**At 31 March 2012**	At 31 March 2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS						
Segment assets	**157,665**	290,383	**768,529**	834,803	**926,194**	1,125,186
Unallocated corporate assets					**72,487**	142,614
					998,681	1,267,800
Liabilities						
Segment liabilities	**(72,557)**	(186,254)	**(2,901)**	(4,480)	**(75,458)**	(190,734)
Unallocated corporate liabilities					**(207,397)**	(231,183)
					(282,855)	(421,917)

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 promissory notes, deferred tax liabilities 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	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Additions to property, plant and equipment	**4,022**	18,250	**6,277**	748	**69**	194	**10,368**	19,192
Depreciation of property, plant and equipment	**14,300**	20,869	**349**	279	**68**	23	**14,717**	21,171
Amortisation of prepaid lease payments	**116**	229	**–**	–	**–**	–	**116**	229
Amortisation of intangible assets	**–**	28	**–**	–	**–**	–	**–**	28
Provision for impairment loss on trade receivables	**3,060**	3,292	**–**	–	**–**	–	**3,060**	3,292
Provision for impairment loss on mining rights	**–**	–	**66,167**	10,415	**–**	–	**66,167**	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 2012 and 2011 were generated in the PRC.

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

	Non-current assets	
	2012	2011
	HK$'000	*HK$'000*
PRC	**80,458**	87,712
Hong Kong	**207**	207
Mongolia	**183,844**	250,129
Indonesia	**582,692**	582,049
	847,201	920,097

Information about major customers

Included in revenue arising from sales of pharmaceutical products of approximately HK$113,586,000 (2011: approximately of HK$157,929,000) no single customers contributed 10% or more to the Group's revenue for both 2012 and 2011.

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 2012 and 2011.

4. OTHER REVENUE

	2012	2011
	HK$'000	*HK$'000*
Interest income on bank deposits	**57**	199
Rental income	**–**	12
Dividend income form financial asset at fair value though profit or loss	**59**	51
Sundry income	**974**	521
	1,090	783

5. OTHER GAINS

	2012	2011
	HK$'000	*HK$'000*
Reversal of impairment loss recognised in respect of trade receivables	**1,298**	5,509
Fair value change on financial assets at fair value through profit or loss	**13**	151
Fair value change on convertible notes *(note)*	**27,371**	3,860
Gain on disposal of property, plant and equipment	**–**	200
Gain on disposal of subsidiary	**16,571**	–
Exchange gain	**165**	–
	45,418	9,720

Note:

Included in fair value change on convertible notes amount of HK$91,000 (2011: HK$2,574,000) was the realized gain upon the conversion of convertible notes.

6. OTHER EXPENSES

	2012	2011
	HK$'000	*HK$'000*
Provision for impairment on mining right	**66,167**	10,415
Provision for impairment on trade receivables	**3,060**	3,292
Provision for impairment on other receivables	**64,000**	–
Share-based payment expenses	**8,121**	–
	141,348	13,707

7. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging:

	2012	2011
	HK$'000	*HK$'000*
Directors' remuneration	**2,354**	943
Other staff costs	**10,411**	21,629
Other staff's retirement benefits scheme contributions	**3,375**	3,149
Total salaries	**16,140**	25,721
Depreciation of property, plant and equipment	**14,717**	21,171
Amortisation of intangible assets (included in administrative expenses)	**–**	28
Amortisation of prepaid lease payments	**116**	229
Total depreciation and amortisation	**14,833**	21,428
Auditors' remuneration	**450**	380
Minimum lease payments under operating leases	**697**	500
Cost of inventories recognised as an expense	**83,060**	105,185

8. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Current tax		
Under provision of the PRC enterprise income tax in prior years	**202**	–
Tax charge for the year	**202**	–

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 2012 and 2011.

Subsidiary in Mongolia is subject to corporate income tax at 10% for the years ended 31 March 2012 and 2011.

Subsidiary in Indonesia is subject to corporate income tax at 25% for the year ended 31 March 2012.

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:

	2012	2011
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	**154,276**	45,061

	No. of shares	
	'000 shares	*'000 shares*
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,831,041**	3,246,250

The Company's outstanding convertible notes and share options were excluded in the calculation of diluted loss per share because the effect of the Company's outstanding convertible notes and share options was anti-dilutive.

There was no diluting event existed during the year ended 31 March 2012.

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2012 (2011: Nil).

11. TRADE AND BILLS RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**56,911**	56,684
Less: accumulated impairment	**(15,256)**	(13,010)
	41,655	43,674
Bills receivables discounted/endorsed with recourse	**4,033**	6,362
	45,688	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 aging analysis of trade receivables, net of impairment losses, and bills receivable discounted/endorsed with recourse at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
0 to 90 days	**23,626**	30,080
91 to 180 days	**10,983**	10,046
181 to 365 days	**9,358**	9,635
1 to 2 years	**1,721**	275
	45,688	50,036

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 2012, approximately 76% (2011: 80%) 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$11,079,000 (2011: HK$9,910,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The amounts are mainly comprised amounts due from certain well established customers, which the Group normally grants an extension to them. The Group does not hold any collateral over theses balances.

Aging of trade receivables which are past due but not impaired

	2012	2011
	HK$'000	*HK$'000*
181 to 365 days	**9,358**	9,635
1 to 2 years	**1,721**	275
	11,079	9,910

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

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the year	**13,010**	19,141
Impairment losses recognised on trade receivables	**3,060**	3,292
Impairment losses reversed	**(1,298)**	(5,509)
Reclassified to assets held for sale	**–**	(4,705)
Exchange adjustments	**484**	791
Balance at end of the year	**15,256**	13,010

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 2012, the Group has recovered trade receivables of approximately HK$1,298,000 (2011: HK$5,509,000) which has been impaired in previous years.

Aging of impaired trade receivables

	2012	2011
	HK$'000	*HK$'000*
1 to 2 years	**15,256**	13,010

Transfer of financial assets

At 31 March 2012, the Group's bills receivables of approximately HK$4,033,000 (2011: HK$6,362,000) 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$4,033,000 (2011: HK$6,362,000) in the consolidated statement of financial position.

12. TRADE PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**9,330**	13,709

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

	2012	2011
	HK$'000	*HK$'000*
0 to 90 days	**6,282**	8,997
91 to 180 days	**274**	2,934
181 to 265 days	**775**	625
Over 365 days	**1,999**	1,153
	9,330	13,709

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

RESULTS OF THE YEAR

The year under review was the most difficult year the Group ever witnessed, owing to (1) continuous increase in production cost, keen competition and significant decline in the selling price of intravenous fluids resulting in the Group's gross profit margin from pharmaceutical operation being further narrowed and the segment loss being enlarged; (2) substantial decline in the fair value of Mining Right in Mongolia; (3) impact on the change in mining law in Indonesia; and (4) the impairment of the outstanding amount of approximately HK$64 million in relation to the Group's disposal of 30% of the entire issued share capital of Skyyield Holdings Limited.

For the year ended 31 March 2012, the turnover of the Group was mainly generated from its principal business of pharmaceutical operation, amounting to approximately HK$113.6 million (2011: HK$157.9 million) and represents a decrease of 28.1% as compared with last year.

Whilst endeavoring to improve operational efficiency and reduce costs, we have encountered difficulties in raising the selling price of its products in order to shift the extra costs to customers. As a result, and after taking into account of the above mentioned factors, the Group recorded a loss attributed to the Company's shareholders of approximately HK$154,276,000 (2011: loss of HK$45,061,000).

Basic and diluted loss per share for the year ended 31 March 2012 was HK4.03 cents (2011: basic and diluted loss per share of HK1.39 cents).

BUSINESS REVIEW

In respect of the intravenous fluids business, the Group completed the disposal of its Wenzhou factory on 16 May 2011, and realized a gain on disposal of approximately HK$16.6 million. For the remaining factory in Siping, the performance was unsatisfactory; the effect of enhanced production capacity has been mitigated by adverse industry factors, such as (i) increasingly intensified competition in pharmaceutical market; (ii) high operating costs, like raw material and labour costs, selling and distribution costs; (iii) high financing costs; and (iv) implementation of China's new tendering policy for essential drugs nationwide, further squeezing the pharmaceutical product selling price.

However, with new opportunities for future development of pharmaceutical enterprises kept rising from the dynamics such as the promotion of new healthcare reform; high priority and strong supports to the pharmaceutical industry from the governments; China's population aging; increasing demand for healthcare consumption and coverage of health insurance; higher medical insurance payment levels and so on, our factory will position itself as quality enterprises with advantages in brand in order to survive and profit from the opportunities in pharmaceutical industry.

For the Mongolia Iron Mine business, we have re-engaged Ms. Lee Yang (our former executive Director who have extensive experience in resources industry) as Consultant and have engaged a Mongolia professional firm to prepare feasibility study report and environment report as a base for the Group to re-consider the overall operating strategy for the mining business in Mongolia. However, because of the delay in the business plan and the change in iron price forecast, a decrease in fair value of Mining Right of HK$66.2 million, has been recorded in accordance with the valuation report of an Independent Valuer.

Regarding the iron sand trading business in Indonesia, trial production commenced in January 2012 using the first batch of 2 separator machines. Consequently, the initial 5,000MT of raw materials have already been delivered to the worksite and screened iron sand was stored in the stockpile at Lumajang. With trial production already underway, our subsidiary, PT. Dampar Golden International ("PT. Dampar"), will commence marketing the processed iron sand to both domestic and overseas customers.

At the same time, we will take this opportunity to further streamline its production techniques and transport logistics. We shall continue looking for various methods of enhancing outputs including but not limited to the possibility of installing additional machines. PT. Dampar will also commence the planning and installation of more separator machines in order to increase production. Also, PT. Dampar has now established its own sample testing laboratory at its site office, which has greatly enhanced its ability in controlling quality.

With the full cooperation from the local community, our investment has directly and indirectly created approximately 70 new jobs. We will continue to work amicably with the local community.

In late February 2012, the Group became aware that there is a change in the Indonesia Mining Law ("Amendments"). Whilst we are in the progress to ascertain the impact of the new law, including a meeting with the Ministry of Energy and Mineral Resources of Republic of Indonesia ("MEMR"), we have arranged for the engagement of a local reputable lawyer to provide a legal opinion relating to the impact of the new Mining Law. It is preliminarily advised by the Indonesia legal adviser that the major impact as a results of Amendments on PT. Dampar is that all the raw mineral output in the form of ore from the Mining area cannot be directly exported after 6 May 2012. Under the Amendments, among other matters, the owners and operators of minerals or coal mines in Indonesia have to increase the value-added to minerals through processing and refining before the processed minerals or coal can be exported. All value-added processing and refining programs should be finalized before 2014. Further, mine owners can export all the mineral raw materials (ores) if they have already obtained the recommendation from MEMR through Director General.

PT. Dampar is now in the process of applying for its own Indonesia's mining company operation license and conducting various feasibility studies with the view of building its own pig-iron smelter to further enhance the quality of the iron concentrates. Through the mine owner, PT. Indo Modern Mining Sejahtera ("PT. Indo"), who will apply for the recommendation from MEMR for exporting all the minerals (ores) during the grace period.

For the existing operations, we will exercise stringent cost control and enhance its control over operating expenses and selling costs. Financially, we will strive to lower the gearing ratio, and maintain sufficient capital with a healthy financial position, in order to be in a better position to capture opportunities.

Apart from consolidating the existing operations, we have actively explored opportunities for business diversification in order to enlarge its earning base. We aim at seeking to invest in business with high growth potential and good returns. Our management, who has extensive investment experience, will take a prudent approach in identifying and investing in projects that will be in the interest of the Company and shareholders as a whole.

DIVIDEND

The Board does not recommend the payment of final dividend for the year (2011: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Segmental Analysis

Pharmaceutical Operation

The competition of the Pharmaceutical Industry was intensified in the year under review. The adverse factors of the industry include (1) very keen competition in the market; (2) the Chinese Government implemented a new essential drugs tendering policy to the entire country which further driving down the price of pharmaceutical products; and (3) the continuous increase in direct production cost and distribution cost further narrows the profit margin.

With the disposal of the factory in Wenzhou in May 2011, the Group recorded a decrease of approximately 28.1% in the revenue from this segment to approximately HK$113,586,000 as compared with approximately HK$157,929,000 of last year. With the increase in cost and decline in selling price, the gross profit for the segment decreased to approximately HK$24,239,000 (2011:HK$50,296,000). Gross profit margin decreased to approximately 21.3% (2011: approximately 31.8%) as compared with last year.

As a result, this segment recorded a loss of approximately HK$24,316,000 as compared to a loss of approximately HK$9,974,000 last year.

Looking forward to next year, with disposal of the Wenzhou factory in May 2011, the Group will focus on improving the product quality and lowering the production cost of the remaining factory in Siping in order to enhance the tendering results in the coming future.

Iron Ore Mine Operation

During the year under review, the business plan of Mongolia was further delayed due to the resignations of key personnel, Mr. Danny Sun and Ms. Lee Yang in September 2010. Recently, Ms. Lee Yang has been re-engaged as Consultant to assist the company to handle the Mongolia Iron Mine operation. A Mongolia professional firm has also been engaged to prepare the updated feasibility study report and environmental report as a base for the company to formulate the future operating strategy.

Regarding the iron sand trading business in Indonesia, trial production commenced in January 2012, using the first batch of 2 separator machines, resulting in the delivery of the initial 5,000MT of raw materials to the worksite. With trial production underway, PT. Dampar will commence marketing of the processed iron sand to both domestic and overseas customers.

However, PT. Dampar has preliminarily been advised by its Indonesia legal adviser that the major impacts as a results of Amendments are that (1) all the raw mineral output in form of ore from the Mining area cannot be directly exported after 6 May 2012; (2) the owners and operators of mineral or coal mines in Indonesia has to increase the value-added to minerals through processing and refining before the processed minerals or coal can be exported; (3) all value-added processing and refining programs shall be finalized before 2014; and (4) mine owners can export all the mineral raw materials (ores) if they have already obtained the recommendation from the Ministry of Energy and Mineral Resources of Indonesia (MEMR) through Director General.

Following the advice by the Indonesia legal adviser, PT. Dampar has revised its business plan and is now in the process of applying for its own IUP OPK (Indonesia's mining company operation license) and conducting various feasibility studies with the view of building its own pig-iron smelter to further enhance the quality of the iron concentrates and through PT. Indo to apply for the recommendation from MEMR for export all the minerals (ores) during the grace period.

Accordingly, the Iron Ore Mine Operation segment recorded a loss of approximately HK$2,444,000 for the year ended 31 March 2012. The loss was mainly comprised of administrative expenses.

During the year under review, the Group incurred non-cash finance costs of HK$22,162,000 as a result of the imputed interests on the convertible notes issued to the vendors of Indonesia Iron Mine business.

In accordance with the valuation report of the equity component of the convertible notes issued, fair value change in respect of financial liability of HK$27,371,000 (convertible notes) was reflected through profit or loss account; this non-cash item enhanced our financial results accordingly.

CAPITAL STRUCTURE

Shareholders' equity decreased to approximately HK$458,085,000 as at 31 March 2012 from approximately HK$586,842,000 as at 31 March 2011. As at 31 March 2012, the short term and long term interest bearing debts to shareholders' equity was approximately 12.9% (as at 31 March 2011: approximately 20.5%).

On 19 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.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the Group had total assets of HK$998,681,000 (2011: HK$1,267,800,000) which was financed by current liabilities of HK$76,645,000 (2011: HK$191,937,000), non-current liability of HK$206,210,000 (2011: HK$229,980,000), non-controlling interests of approximately HK$257,741,000 (2011: HK$259,041,000) and shareholders' equity of HK$458,085,000 (2011: HK$586,842,000).

The Group's current ratio as at 31 March 2012 was approximately 1.98 (2011: 1.81) and gearing ratio, representing the total borrowings divided by the shareholders' equity was approximately 12.9% (2011: 20.5%). The total outstanding borrowings of the Group as at 31 March 2012 were denominated in Renminbi, about 100% (2011: 50%) borrowings was interest-bearing with variable rates while interest of the remaining balances was calculated on fixed interest rates.

As at 31 March 2012, certain buildings with aggregate carrying amount of approximately HK$28,407,000 (2011: approximately HK$29,587,000), plant and machinery amounting to approximately HK$32,746,000 (2011: HK$9,678,000), land use rights amount of approximately HK$1,381,000 (2011: HK$4,108,000) and bank deposits amount of approximately HK$nil (2011: HK$1,820,000) had been pledged to secure banking facilities granted to the Group. As at 31 March 2012, the Group had no other 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, Indonesian Rupiah and US Dollars which have been relatively stable during the year ended 31 March 2012. 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 485 employees in Hong Kong, Indonesia, Mongolia and the PRC as at 31 March 2012. 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

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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has compiled with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules during the year, save for deviation as stated hereof:

Under the code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Chim Kim Lun, Ricky throughout the year ended 31 March 2012.

The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

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 websites of the Company at www.asiaresources899.com and 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, 25 June 2012

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