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 2013

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 2013 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

		2013	2012
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**111,957**	113,586
Cost of sales		**(91,502)**	(89,347)
Gross profit		**20,455**	24,239
Other revenue	*4*	**516**	1,090
Other gains	*5*	**44,861**	45,418
Distribution and selling expenses		**(19,423)**	(30,563)
Administrative expenses		**(27,998)**	(27,338)
Other expenses	*6*	**(187,987)**	(141,348)
Finance costs		**(29,744)**	(26,872)

* *For identification purposes only*

	Notes	2013 HK$'000	2012 HK$'000
Loss before taxation	7	**(199,320)**	(155,374)
Taxation	8	**–**	(202)
Loss for the year		**(199,320)**	(155,576)
Other comprehensive income, net of tax			
Exchange differences on translating foreign operations		**1,079**	4,356
Other comprehensive income for the year, net of tax		**1,079**	4,356
Total comprehensive loss for the year		**(198,241)**	(151,220)
Loss attributable to:			
Owners of the Company		**(197,967)**	(154,276)
Non-controlling interest		**(1,353)**	(1,300)
		(199,320)	(155,576)
Total comprehensive loss attributable to:			
Owners of the Company		**(197,063)**	(149,920)
Non-controlling interest		**(1,178)**	(1,300)
		(198,241)	(151,220)
		HK$	*HK$* (restated)
Loss per share			
– Basic and diluted	9	**1.28**	1.01

All operations of the Group are classified as continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**77,676**	83,411
Investment properties		**40,877**	–
Prepaid lease payments		**3,935**	4,023
Intangible asset		**576,334**	576,334
Mining right		**–**	183,433
		698,822	847,201
Current assets			
Inventories		**17,514**	15,054
Trade and bills receivables	*11*	**34,850**	45,688
Prepayments, deposits and other receivables		**11,744**	6,876
Amount due from a non-controlling shareholder		**696**	738
Tax recoverable		**572**	568
Financial assets at fair value through profit or loss		**11,682**	741
Bank balances and cash		**73,471**	81,815
		150,529	151,480
Current liabilities			
Trade payables	*12*	**10,514**	9,330
Other payables and accruals		**7,965**	6,807
Amount due to a non-controlling shareholder		**1,377**	1,460
Bank borrowings		**59,472**	59,048
Short-term interest bearing borrowings		**21,869**	–
		101,197	76,645
Net current assets		**49,332**	74,835
Total assets less current liabilities		**748,154**	922,036

	2013	2012
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**193,937**	193,937
Reserves	**67,085**	264,148
Total equity attributable to owners of the Company	**261,022**	458,085
Non-controlling interest	**256,563**	257,741
	517,585	715,826
Non-current liability		
Convertible notes	**230,569**	206,210
	230,569	206,210
	748,154	922,036

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 2012.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

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 and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[3]
HKAS 36 (Amendments)	Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
HK(IFRIC) – Int 21	Levies[3]

[1] *Effective for annual periods beginning on or after 1 July 2012*

[2] *Effective for annual periods beginning on or after 1 January 2013*

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

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

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 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. 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 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	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**111,957**	113,586	**–**	–	**111,957**	113,586
Total revenue	**111,957**	113,586	**–**	–	**111,957**	113,586
Segment results	**(13,733)**	(24,316)	**(5,983)**	(2,444)	**(19,716)**	(26,760)
Unallocated corporate expenses						
Other revenue					**516**	1,090
Other gains					**43,711**	18,034
Other expenses					**(187,987)**	(141,348)
Fair value changes on financial assets at fair value through profit or loss					**(309)**	13
Fair value changes on convertible notes					**1,150**	27,371
Central administration costs					**(6,941)**	(6,902)
Finance costs					**(29,744)**	(26,872)
Loss before taxation					**(199,320)**	(155,374)
Taxation					**–**	(202)
Loss for the year					**(199,320)**	(155,576)

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, central administration costs, 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 2013	At 31 March 2012	**At 31 March 2013**	At 31 March 2012	**At 31 March 2013**	At 31 March 2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS						
Segment assets	**162,893**	157,665	**587,736**	768,529	**750,629**	926,194
Unallocated corporate assets					**98,722**	72,487
					849,351	998,681
Liabilities						
Segment assets	**(97,154)**	(72,557)	**(2,836)**	(2,901)	**(99,990)**	(75,458)
Unallocated corporate liabilities					**(231,776)**	(207,397)
					(331,766)	(282,855)

For the purposes of assessing segment performance and allocating resources between segments, the directors of the Company 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 other unallocated corporate assets (mainly include property, plant and equipment, investment properties, 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 other 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	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Additions to property, plant and equipment	**6,065**	4,022	**2,844**	6,277	**171**	69	**9,080**	10,368
Depreciation of property, plant and equipment	**14,120**	14,300	**456**	349	**201**	68	**14,777**	14,717
Amortisation of prepaid lease payments	**116**	116	**–**	–	**–**	–	**116**	116
Provision for impairment loss on trade receivables	**4,554**	3,060	**–**	–	**–**	–	**4,554**	3,060
Provision for impairment loss on other receivables	**–**	–	**–**	–	**–**	64,000	**–**	64,000
Provision for impairment loss on mining rights	**–**	–	**183,433**	66,167	**–**	–	**183,433**	66,167

Geographical information

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

All of the Group's revenue during the years ended 31 March 2013 and 2012 were generated in the PRC.

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

	Non-current assets	
	2013	2012
	HK$'000	*HK$'000*
PRC	**113,662**	80,458
Hong Kong	**155**	207
Mongolia	**358**	183,844
Indonesia	**584,647**	582,692
	698,822	847,201

Information about major customers

There is no single external customer amount to 10 per cent or more of the Group's revenue during the years ended 31 March 2013 and 2012.

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 2013 and 2012.

4. OTHER REVENUE

	2013	2012
	HK$'000	*HK$'000*
Interest income on bank deposits	**102**	57
Dividend income from financial asset at fair value though profit or loss	**52**	59
Sundry income	**362**	974
	516	1,090

5. OTHER GAINS

	2013	2012
	HK$'000	*HK$'000*
Reversal of impairment loss recognised in respect of trade receivables	**2,723**	1,298
Reversal of impairment loss recognised in respect of other receivables	**40,988**	–
Fair value change on financial assets at fair value through profit or loss	**–**	13
Fair value change on convertible notes *(note)*	**1,150**	27,371
Gain on disposal of subsidiaries	**–**	16,571
Exchange gain	**–**	165
	44,861	45,418

Notes:

Included in fair value change on convertible notes amount of HK$Nil (2012: HK$91,000) was the realised gain upon the conversion of convertible notes.

6. OTHER EXPENSES

	2013	2012
	HK$'000	*HK$'000*
Provision for impairment on mining right	**183,433**	66,167
Provision for impairment on trade receivables	**4,554**	3,060
Provision for impairment on other receivables	**–**	64,000
Share-based payment expenses	**–**	8,121
	187,987	141,348

7. LOSS BEFORE TAXATION

	2013	2012
	HK$'000	*HK$'000*
Directors' remuneration	**2,617**	2,354
Other staff costs	**10,832**	10,411
Share-based payment expenses	**–**	8,121
Other staff's retirement benefits scheme contributions	**3,403**	3,375
Total salaries	**16,852**	24,261
Depreciation of property, plant and equipment	**14,777**	14,717
Amortisation of prepaid lease payments	**116**	116
Total depreciation and amortisation	**14,893**	14,833
Auditors' remuneration	**450**	450
Minimum lease payments under operating leases	**1,014**	697
Cost of inventory recognised as an expense	**90,687**	83,060
Fair value change on financial assets at fair value through profit or loss	**309**	–
Exchange loss, net	**129**	–

8. TAXATION

	2013	2012
	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 2013 and 2012.

Subsidiary in Mongolia is subject to corporate income tax at 10% for the years ended 31 March 2013 and 2012.

Subsidiary in Indonesia is subject to corporate income tax at 25% for the years ended 31 March 2013 and 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:

	2013	2012
	HK$'000	*HK$'000*
		(restated)
Loss		
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	**197,967**	154,276
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**155,150**	153,242

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the years ended 31 March 2013 and 2012 has been adjusted for the effect of share consolidation approved on 31 May 2013.

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.

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2013 (2012: Nil).

11. TRADE AND BILLS RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**44,104**	56,911
Less: accumulated impairment	**(17,208)**	(15,256)
	26,896	41,655
Bills receivables discounted/endorsed with recourse	**7,954**	4,033
	34,850	45,688

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:

	2013	2012
	HK$'000	*HK$'000*
0 to 90 days	**23,290**	23,626
91 to 180 days	**8,044**	10,983
181 to 365 days	**3,516**	9,358
1 to 2 years	**–**	1,721
	34,850	45,688

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 2013, approximately 68% (2012: 67%) 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 HK3,516,000 (2012: HK$11,079,000) 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

	2013	2012
	HK$'000	*HK$'000*
181 to 365 days	**3,516**	9,358
1 to 2 years	**–**	1,721
	3,516	11,079

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

	2013	2012
	HK$'000	*HK$'000*
Balance at beginning of the year	**15,256**	13,010
Impairment losses recognised on trade receivables	**4,554**	3,060
Impairment losses reversed	**(2,723)**	(1,298)
Exchange adjustments	**121**	484
Balance at end of the year	**17,208**	15,256

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 2013, the Group has recovered trade receivables of approximately HK$2,723,000 (2012: HK$1,298,000) which has be impaired in previous years.

Aging of impaired trade receivables

	2013	2012
	HK$'000	*HK$'000*
1 to 2 years	**17,208**	15,256

Transfer of financial assets

At 31 March 2013, the Group's bills receivables of approximately HK$7,954,000 (2012: HK$4,033,000) 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$7,954,000 (2012: HK$4,033,000) in the consolidated statement of financial position.

12. TRADE PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**10,514**	9,330

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

	2013	2012
	HK$'000	*HK$'000*
0 to 90 days	**8,228**	6,282
91 to 180 days	**737**	274
181 to 365 days	**67**	775
Over 365 days	**1,482**	1,999
	10,514	9,330

The average credit period on purchases is 3 months (2012: 3 months).

13. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 3 August 2012, Bestime Systems Limited ("Bestime Systems"), a subsidiary of the Company and Mr. Zhou Yu Kang ("Mr. Zhou") entered into a conditional share transfer agreement (the "Share Transfer Agreement") in pursuant to Bestime Systems would take up the entire issued share capital in Conmet International Real Estate Limited ("Conmet International") and its subsidiary in order to withdraw the claim under the writ summons issued by Bestime Systems on 16 April 2012 at the High Court of Hong Kong (the "Writ") and to offset part of the outstanding balance of approximately HK$64,000,000 due from Mr. Zhou to Bestime Systems (the "Outstanding Balance") (collectively the "Transfer"). The Transfer was completed on 22 January 2013.

Conmet International has not carried out any significant business transactions since their incorporation. In the opinion of the directors, the Transfer did not constitute an acquisition of business which the Group principally acquired the properties through the acquisition. Therefore, the acquisition was not accounted for as a business combination in accordance with the requirements of HKFRS 3 *Business Combinations*.

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

	2013
	HK$'000
Net assets acquired:	
Property, plant and equipment	**40,985**
Cash and bank balances	**3**
Fair value of net assets	**40,988**
Satisfied by:	
Other receivables	**40,988**
Net cash inflow from the acquisition:	
Cash consideration paid	**–**
Cash and bank balances acquired	**3**
	3

Note:

During the year ended 31 March 2013, no turnover and loss was contributed by Conmet International and its subsidiary as it has not carried out any significant business transaction since the acquisition.

RESULTS OF THE YEAR

For the year ended 31 March 2013, the turnover of the Group was mainly generated from its principal business of pharmaceutical operation, amounting to approximately HK$111,957,000 (2012: HK$113,586,000), representing a decrease of approximately 1.4% as compared with last year.

Correspondingly, the gross profit of the Group for the year ended 31 March 2013 dropped to HK$20,455,000 (2012: approximately HK$24,239,000). Gross profit margin decreased to approximately 18.2% (2012: 21.3%). As a result, and after taking into account of the impairment of the remaining carrying value of the Mongolia Iron Mine, the Group recorded a loss attributable to the Company's shareholders of approximately HK$197,967,000 (2012: loss of HK$154,276,000)

Basic and diluted loss per share for the year ended 31 March 2013 was HK$1.28 (2012: basic and diluted loss per share of HK$1.01).

BUSINESS REVIEW

The year ended 31 March 2013 was a difficult year for the Group, owing to further decline in the selling price in intravenous fluids, resulted in the Group's gross profit from pharmaceutical operation decreased. With continuous effort to improve operational efficiency and reduce cost, as well as increase in volume of production; this segment recorded a decrease in loss.

The iron sand trading business in Indonesia was still at the stage of trial production. Fruitful result was obtained as the grading of iron sand screened during the trial production was satisfactory and can be exported to China. The Group expects the first batch of iron sand for export will be in the second half year of 2013.

For the Mongolia Iron Mine ("Mongolia Mine") business, the Group has received a letter from the Ministry of Environment and Green Development of Mongolia in December 2012, and the legal advices from Mongolia legal advisors, that the Mongolia Mine is located within the protected area of Shudtiin river, forest front and the water source basin of Mongolia adopted by resolution number 194 of 2012 of the Government of Mongolia.

As at the date hereof, no further notification or advice from the Government of Mongolia concerning the iron mining licence was received by the Company. The operating activities of the Mongolia Mine are temporarily suspended in order to minimise the expenses to be incurred.

During the year under review, the Group has successfully recovered HK$40,988,000 of the outstanding debt of HK$64,000,000 in relation to the disposal of Skyyield Holdings Limited, debts of which had been fully impaired last year. The recovered amount was recognised as reversal of impairment loss recognised in respect of other receivables. The consideration of settlement was by means of share transfer of the entire issued share capital of Conmet International Real Estate Limited, and through its interests in the WOFE, legally owns the PRC properties in Hangzhou. In accordance to the settlement agreement dated 3 August 2012, the outstanding debt of HK$23,012,000 will be settled by the debtor within twenty four months from the date of the share transfer agreement by means of cash or other means as may agree by both parties from time to time. The management is now seeking the potential use of the said properties, including leasing or self use to run our own business with good returns.

Apart from consolidating the existing operations, the Group has started short term investment in listed securities in Hong Kong in order to enhance the cash management for better use of cash in hand. We will also explore opportunities for business diversification in order to improve its earning base. We aim at seeking to invest in business with high growth potential and good returns.

DIVIDEND

The Board does not recommend the payment of final dividend for the year (2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Segmental Analysis

Pharmaceutical Operation

For the year under review, the Group's pharmaceutical product business continued operating under the pressure of price competition. Nevertheless, the Group kept exploring ways to boost sales through expanding its direct sales team, and had tried its best to explore and seize the opportunity to increase direct sales to hospitals or their agents. Under the circumstances, the revenue of the pharmaceutical product business could be maintained at a stabilised level and most of the impacts of the decline in sales price had been mitigated by the increases in sales volume. As a result, the turnover of pharmaceutical products recorded only a slight decrease of 1.4% to HK$111,957,000 as compared to HK$113,586,000 last year.

Thanks to the tight control over production cost, selling and distribution cost as well as administrative cost, this segment recorded reduction of loss to HK$13,733,000 from the loss of HK$24,316,000 last year.

Looking forward to next year, the Group will continue to focus on improving the product quality and lowering the production cost of the factory in Siping.

Iron Ore Mine Operation

Mongolia Iron Mine

For the Mongolia Iron Mine ("Mongolia Mine")business, the Group has received a letter from the Ministry (the "Ministry") of Environment and Green Development of Mongolia on 24 December 2012, notifying the Company that the Iron Mining Licence is located within the protected area ("Protected Area") of Shudtiin river, forest front and the water source basin of Mongolia adopted by the resolution of the governor, the borders of such Protected Area were determined by the attachment to the resolution number 194 of 2012 of the Government of Mongolia. The board subsequently sought advice from its legal advisors and received legal opinions on 31 December 2012 and 11 January 2013 were advised that accordingly to the provision of a new law on "Prohibition of mining and exploration activities in river heads and banks, water basins and forests" the Iron Mining License is subject to the new law and shall be cancelled since the Mongolia Mine is located in the Protected Area.

As a result of the above mentioned environmental issue, apart from an impairment of HK$129,613,000 during the six months ended 30 September 2012, a further impairment of the remaining carrying value of Mining Right totalling HK$53,820,000, was recognised in accordance with the valuation report of an Independent Valuer.

As at the report date, no further notification or advice from the Government of Mongolia concerning the Iron Mining Licence has been received by the Group. Under the circumstances, the operating activities of the Mongolia Mine are temporarily suspended minimising the expenses to be incurred as well as the loss of this segment. The Company is also considering disposing the Mongolia Mine to potential risk-taking investors who are interested in the mine.

Indonesia Iron Sand Trading

During the year under review, PT. Dampar Golden International ("Dampar") has obtained mining licenses for both the IUP OPK for Sales and Transportation and IUP OPK for Processing. For all intents and purposes Dampar is now a licensed mining company under the Laws of the Republic of Indonesia. During that period, Dampar has continued to refine its processing techniques, streamlining its production methods, enhancing its logistics, including but not limited to the implementation of a water recovery and recycling system to satisfy environmental requirements. To date, Dampar is now moving ahead into full production from its previous 2 production lines, and will commence construction of its remaining 10 production lines as soon as practicable. It is envisaged that the remaining 10 production lines will be fully operational by the end of the year. More production lines are already in the planning for 2013 and 2014, and additional machineries are already on order at the date of this publication.

Each production line, at its maximum productivity, is capable of producing approximately 20 metric tons of iron sand per hour. The iron sand grading will be graded to around 54% Fe (iron). Full specification of the iron sand is available from Dampar's website: www.DamparGolden.com. First export shipment of approximately 30,000 metric tons is expected to commence towards the end of August 2013. It is the intention of Dampar to sell and export the iron sand by CIF (Cost, Insurance and Freight) rather than FOB (Free On Board) which most other competitors from Indonesia are quoting.

With reference to the Company's announcement dated 7 June 2012 regarding the Indonesia Mining Law No.7 of 2012, Dampar continues to work closely with the IUP holder PT. Indo Modern Mining Sejahtera regarding the availability of the export quota during the grace period, and Dampar's management do not see any hindrance relating to Dampar's capability to sell and export the iron sand during the grace period. Furthermore, Dampar continues to plan and make preparations for the construction of a smelter which will enable Dampar to produce iron with grading to 94% Fe (iron) for export as required under the Indonesia Mining Law No.7 of 2012.

Overall speaking, the Iron Ore Mine Operation segment recorded a loss of approximately HK$5,983,000 for the year ended 31 March 2013 (2012: HK$2,444,000). The loss was mainly comprised of administrative expenses and production trial run expenses.

During the year under review, the Group incurred non-cash finance costs of HK$25,509,000 (2012: HK$22,128,000) 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$1,150,000 (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$261,022,000 as at 31 March 2013 from approximately HK$458,085,000 as at 31 March 2012. As at 31 March 2013, the short term interest bearing debts to shareholders' equity was approximately 31.2% (as at 31 March 2012: approximately 12.9%).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group had total assets of HK$849,351,000 (2012: HK$998,681,000) which was financed by current liabilities of HK$101,197,000 (2012: HK$76,645,000), non-current liability of HK$230,569,000 (2012: HK$206,210,000), non-controlling interests of approximately HK$256,563,000 (2012: HK$257,741,000) and shareholders' equity of HK$261,022,000 (2012: HK$458,085,000).

The Group's current ratio as at 31 March 2013 was approximately 1.49 (2012: 1.98) and gearing ratio, representing the total borrowings divided by the shareholders' equity was approximately 31.2% (2012: 12.9%). The total outstanding borrowings of the Group as at 31 March 2013 were denominated in Renminbi, about 73.1% (2012: 100%) borrowings was interest-bearing with variable rates while interest of the remaining balances was calculated on fixed interest rates.

As at 31 March 2013, certain buildings with aggregate carrying amount of approximately HK$27,229,000 (2012: approximately HK$29,789,000), plant and machinery amounting to approximately HK$25,145,000 (2012: HK$32,746,000), land use rights amount of approximately HK$4,051,000 (2012: HK$4,139,000) had been pledged to secure banking facilities granted to the Group. As at 31 March 2013, 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 2013. 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 2013. 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 provides medical benefits and sponsors employees in different training and continuous education programs.

MATERIAL ACQUISITION AND DISPOSALS DURING THE YEAR

As announced on 22 January 2013, the Group has completed the transfer of the entire issued share capital in Conmet International Real Estate Limited and its PRC subsidiary. Details of which are set out in note 13.

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 2013, 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 Directors consider that the Company has complied with all applicable provisions of the Corporate Governance Code (formerly the "Code on Corporate Governance Practices") contained in Appendix 14 (the "CG Code") of the Listing Rules through out the year ended 31 March 2013, except for deviation as stated below:

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 2013.

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 CG Code. 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, 27 June 2013

As at the date of this announcement, the Board consists of three executive Directors, Mr. Chim Kim Lun Ricky, Mr. Cheung Kai Kwong and Mr. Yeung Yiu Bong Anthony; one non-executive Director, Mr. Tong Leung Sang; and three independent non-executive Directors, Mr. Zhang Xianlin, Mr. Lum Pak Sum and Mr. Kwok Hong Yee Jesse.