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 2018

The Board of Directors (the "Board") of Asia Resources Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2018 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** ***HK$'000***	2017 *HK$'000* *(Restated)*
Continuing operations			
Revenue, net	*4*	**7,343**	6,651
Cost of sales		**–**	–
Gross profit		**7,343**	6,651
Other revenue	*5*	**387**	2,866
Other losses	*6*	**(6)**	(11)
Distribution and selling expenses		**(16)**	(1,003)
Administrative expenses		**(42,196)**	(65,759)
Share of results of associates		**(7,855)**	(840)
Provision for impairment loss on other receivables		**(4,479)**	–
Provision for impairment loss on properties under development		**(54,399)**	–
Gain/(loss) on disposal of subsidiaries		**11,564**	(110)
Over-provision of land value added tax		**24,117**	–
Finance costs		**(62,935)**	(32,115)

* *For identification purpose only*

	Notes	**2018** **HK$'000**	2017 HK$'000 (Restated)
Loss before taxation	*7*	**(128,475)**	(90,321)
Taxation	*8*	**8,255**	317
Loss for the year from continuing operations		**(120,220)**	(90,004)
Loss for the year from discontinued operations	*11*	**(5,378)**	(3,800)
Loss for the year		**(125,598)**	(93,804)
Other comprehensive income, net of tax			
Reclassification adjustments relating to foreign operations disposed during the year		**–**	123
Share of other comprehensive income of associates		**(77)**	(28,245)
Exchange differences on translating foreign operations		**134,994**	(77,561)
Other comprehensive income for the year, net of tax		**134,917**	(105,683)
Total comprehensive income for the year		**9,319**	(199,487)
Loss attributable to:			
Owners of the Company		**(123,989)**	(92,794)
Non-controlling interest		**(1,609)**	(1,010)
		(125,598)	(93,804)
Total comprehensive income attributable to:			
Owners of the Company		**10,859**	(198,508)
Non-controlling interest		**(1,540)**	(979)
		9,319	(199,487)
		HK$	*HK$*
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
– Basic and diluted	*9*	**(0.021)**	(0.017)
From continuing operations			
– Basic and diluted	*9*	**(0.020)**	(0.017)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**8,216**	39,630
Intangible assets		**374,699**	–
Interests in associates	*13*	**226,960**	427,228
Deposits paid	*15*	**798,871**	361,011
		1,408,746	827,869
Current assets			
Properties under development		**796,109**	765,866
Loan receivables	*14*	**151,501**	38,344
Prepayments, deposits and other receivables		**187,112**	317,360
Amount due from an associate	*13*	**–**	11,789
Financial assets at fair value through profit or loss		**4,867**	7,762
Bank balances and cash		**281,827**	464,026
		1,421,416	1,605,147
Assets classified as held for sale	*12*	**30,484**	–
		1,451,900	1,605,147
Current liabilities			
Trade payables	*16*	**41,726**	39,560
Other payables and accruals		**173,471**	166,847
Receipts in advance		**119,282**	100,082
Tax payable		**740**	223
Convertible notes/bonds		**234,287**	–
		569,506	306,712
Liabilities directly associated with assets classified as held for sale	*12*	**222**	–
		569,728	306,712
Net current assets		**882,172**	1,298,435
Total assets less current liabilities		**2,290,918**	2,126,304

	2018	2017
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**1,585,923**	1,335,923
Reserves	**559,149**	548,290
Total equity attributable to owners of the Company	**2,145,072**	1,884,213
Non-controlling interest	**109,492**	(9,147)
	2,254,564	1,875,066
Non-current liabilities		
Convertible notes/bonds	**–**	209,769
Deferred tax liabilities	**36,354**	41,469
	36,354	251,238
	2,290,918	2,126,304

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) New and amended Hong Kong Financial Reporting Standards ("HKFRSs") adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKAS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

The adoption of these amendments did not have material impact on the consolidated financial statements for the current and prior year, except for amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities.

(b) Issued but not yet effective HKFRSs

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective for the financial year ended 31 March 2018:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures[2]
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle[1]
HKAS 40 (Amendments)	Transfers of Investment Property[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a FVTOCI measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are required 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 accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported and disclosures made in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 Leases

The new standard specifies how an entity to recognise, measure, present and disclosure leases. HKFRS 16 required lessees to recognised assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. Lessors continue to classify leases as operating or finance with HKFRS 16's approach to lessor accounting substantially unchanged from its predecessor HKAS 17.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the possible impact of the above new or revised standards on the Group's results and financial position in the first year of application. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies or financial statements. Other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's financial statement upon application.

Except as described above, the Directors do not anticipate that the application of other new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating segments are identification the basis of internal reports which provides information about components of the Group. These information are reported to and received by the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment.

The Group has the following continuing operating segments during the year. These segments are managed separately. No operating segments have been aggregated to for the following reportable segments.

(1) For investing and financing operations, the CODM regularly reviews the performance of the investing and financing operations. These operations have been aggregated into a single operating segment and named "Investing and financing".

(2) For property sales and investment operations, the CODM regularly reviews the performance of the property sales and investment operations. This operation has been classified into a single operating segment and named "Property sales and investment".

(3) For water exploitation operations, the CODM regularly reviews the performance of the water exploitation operations in the PRC. These operations have been aggregated into a single operating segment and named "Water exploitation operations".

Segment revenue and results

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

For the year ended 31 March

	Continuing Operations									
	Investing and financing		Property sales and investment		Water exploitation operation		Unallocated		Consolidation	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
								(Restated)		*(Restated)*
Sales to external customers	**7,343**	6,651	**–**	–	**–**	–	**–**	–	**7,343**	6,651
Total revenue	**7,343**	6,651	**–**	–	**–**	–	**–**	–	**7,343**	6,651
Segment results	**822**	(734)	**(34,375)**	(8,921)	**(1,586)**	–	**–**	–	**(35,139)**	(9,655)
Other revenue	**21**	21	**220**	7	**3**	–	**143**	3,030	**387**	3,058
Other gains/(losses)	**–**	(11)	**–**	–	**–**	–	**–**	59	**–**	48
Fair value loss on financial assets at fair value through profit or loss	**(2,895)**	(2,870)	**–**	–	**–**	–	**–**	–	**(2,895)**	(2,870)
Central administration costs	**–**	–	**–**	–	**–**	–	**(36,980)**	(52,477)	**(36,980)**	(52,477)
Gain/(loss) on disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**11,564**	(110)	**11,564**	(110)
Share of result of associates	**–**	–	**–**	–	**(7,855)**	–	**–**	–	**(7,855)**	–
Finance costs	**–**	–	**–**	–	**–**	–	**(62,935)**	(32,115)	**(62,935)**	(32,115)
Loss before taxation									**(133,853)**	(94,121)
Taxation	**(321)**	(119)	**9,044**	–	**–**	–	**(468)**	436	**8,255**	317
Loss for the year									**(125,598)**	(93,804)

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

Segment results represent the profit/loss of each segment without allocation of other revenue, other gain/(loss), fair value change on financial assets at fair value through profit or loss, central administration costs, gain/(loss) on disposal of subsidiaries, share of result of associates, finance costs and taxation. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

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

	Continuing Operations							
	Investing and financing		Property sales and investment		Water exploration operation		Consolidation	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
								(Restated)
ASSETS								
Segment assets	**158,215**	47,666	**1,771,725**	1,425,076	**621,512**	–	**2,551,452**	1,472,742
Unallocated corporate assets							**309,194**	960,274
							2,860,646	2,433,016
LIABILITIES								
Segment liabilities	**(268)**	(1,270)	**(327,383)**	(329,516)	**(449)**	–	**(328,100)**	(330,786)
Unallocated corporate liabilities							**(277,982)**	(227,164)
							(606,082)	(557,950)

For the purposes of assessing segment performance and allocating resources between segments, the directors of the company monitor the results, assets and liabilities attributable to each reportable segment on the following basis:

All assets are allocated to reportable segments other than unallocated corporate assets (mainly include property, plant and equipment, bank balances and cash that are used by the investment holding company, other receivables that are receivable by the investment holding companies and assets classified as held for sale).

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

Other segment information

	Continuing Operations									
	Investing and financing		Property sales and investment		Water exploration operation		Unallocated		Consolidation	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* *(Restated)*	***HK$'000***	*HK$'000*
Additions to property, plant and equipment	**17**	207	**–**	6,791	**633**	–	**343**	82	**993**	7,080
Depreciation of property, plant and equipment	**(179)**	(281)	**(1,067)**	(1,137)	**–**	–	**(3,803)**	(3,136)	**(5,049)**	(4,554)
Provision for impairment loss on property, plant and equipment	**–**	–	**–**	–	**–**	–	**(1,267)**	(761)	**(1,267)**	(761)
Provision for impairment loss on other receivables	**–**	–	**–**	–	**–**	–	**(4,479)**	–	**(4,479)**	–
Provision for impairment loss on properties under development	**–**	–	**(54,399)**	–	**–**	–	**–**	–	**(54,399)**	–
Over-provision of land value added tax	**–**	–	**24,117**	–	**–**	–	**–**	–	**24,117**	–

Geographical information

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

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**–**	–	**1,408,281**	824,266
Hong Kong	**7,343**	6,651	**465**	737
Indonesia	**–**	–	**–**	2,866
	7,343	6,651	**1,408,746**	827,869

Information about major customers

During the year ended 31 March 2018 and 2017, one customer (2017: two customers) contributed approximately HK$1,544,000 (2017: HK$3,264,000 and HK$2,817,000 respectively). These customers contributed over 10% of the total revenue of the Group during the year ended 31 March 2018 and 2017.

4. REVENUE, NET

Revenue, which is stated net of value added tax and other sales taxes and returns, represents interest income from customers for money lending during the years ended 31 March 2018 and 2017.

An analysis of the Group's revenue for the year is as follows:

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Loan interest income	**7,343**	6,651

5. OTHER REVENUE

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest income on bank deposits	**175**	2,809
Dividend income from financial assets at fair value through profit or loss	**21**	21
Sundry	**191**	36
	387	2,866

6. OTHER LOSSES

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Loss on disposal of property, plant and equipment, net	**(6)**	(11)

7. LOSS BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
The Group's loss before taxation from continuing operations is carried at after (crediting)/charging:		
Directors' remuneration	**2,999**	26,269
Other staff costs	**6,026**	9,496
Share-based payment expenses	**–**	10,920
Other staff's retirement benefits scheme contributions	**538**	572
Total staff costs	**9,563**	47,257
Depreciation of property, plant and equipment	**1,848**	1,697
Auditors' remuneration		
– audit services	**1,147**	900
– non-audit services	**2,085**	191
	3,232	1,091
Minimum lease payments under operating leases	**2,227**	3,253
Fair value loss on financial assets at fair value through profit or loss	**2,895**	2,870
Exchange (gain)/loss, net	**(326)**	285

8. TAXATION

Continuing Operations

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Current tax:		
– Hong Kong Profits Tax	**383**	119
– PRC Enterprise Income Tax	**468**	–
Over-provision in prior years	**(62)**	(436)
Total current tax expenses/(credit)	**789**	(317)
Deferred income tax		
– Decrease in deferred tax liabilities	**(9,044)**	–
Credit for the year	**(8,255)**	(317)

Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit arising in Hong Kong during the year.

Subsidiaries in the PRC are subjected to the PRC Enterprise Income Tax at 25% for the years ended 31 March 2018 and 2017.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR

From continuing and discontinued operations

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Loss		
Loss for the year from continuing operations attributable to the owners of the Company	**(119,696)**	(90,004)
Loss for the year from discontinued operations attributable to the owners of the Company	**(4,293)**	(2,790)
	(123,989)	(92,794)

	2018	2017
	'000 Shares	*'000 Shares*
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share *(note)*	**5,990,265**	5,343,690

Note:

The basic and diluted loss per share are the same for the years ended 31 March 2018 and 2017, as the effect of the share options and convertible notes would be anti-dilutive and were not included in the calculation of diluted loss per share.

From continuing operations

The calculation of basic loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Loss for the year from continuing operations attributable to the owners of the Company	**(119,696)**	(90,004)

From discontinued operations

Basic loss per share from discontinued operations is HK$0.0007 per share (2017 (Restated): HK$0.0005), based on the loss for the year from discontinued operations attributable to the owners of the Company of approximately HK$4,293,000 (2017 (Restated): HK$2,790,000). The denominators used are the same as those detailed above for both basic and diluted loss per share.

The basic and diluted loss per share from discontinued operations are the same for the years ended 31 March 2018, as the effect of the share options and convertible notes would be anti-dilutive and were not included in the calculation of diluted loss per share.

10. DIVIDENDS

The directors did not recommend the payment of any dividend for the year ended 31 March 2018 (2017: Nil).

11. DISCONTINUED OPERATIONS

In March 2018, management had the plan to dispose of the Hangzhou properties and iron mining business operated in Indonesia ("Disposal Group"). As the carrying amount of the Disposal Group will be recovered principally through a sale transaction rather than through continuing use, the Group classified the above assets and liabilities as held for sale.

The major classes of assets and liabilities of Disposal Group classified as assets held for sale and liabilities directly associated with assets classified as held for sale as at 31 March 2018 was detailed in Note 12.

For the year ended 31 March 2018, the results and cash flows of the discontinued operations are analysed as follows.

Analysis of discontinued operations

	2018 ***HK$'000***	2017 *HK$'000* *(Restated)*
Revenue	**–**	–
Other revenue	**–**	192
Other gains	**–**	59
Administrative expenses	**(4,111)**	(3,290)
Provision for impairment loss on property, plant and equipment	**(1,267)**	(761)
Loss before taxation	**(5,378)**	(3,800)
Taxation	**–**	–
Loss for the year from discontinued operations	**(5,378)**	(3,800)
Loss for the year from discontinued operations attributable to:		
Owners of the Company	**(4,293)**	(2,790)
Non-controlling interest	**(1,085)**	(1,010)
	(5,378)	(3,800)

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
The Group's loss from discontinued operations is carried at after charging:		
Staff costs	**556**	598
Staff's retirement benefits scheme contributions	**24**	13
Total staff costs	**580**	611
Depreciation of property, plant and equipment	**3,201**	2,857
Minimum lease payments under operating leases	**197**	299
Cash flows from discontinued operations:		
Net cash used in operating activities	**(910)**	(1,738)
Net cash generated from investing activities	**–**	8
Net cash generated from financing activities	**925**	1,601
Net increase/(decrease) in cash and cash equivalents	**15**	(129)
Effect of foreign exchange rate exchanges	**5**	(8)
Net cash inflow/(outflow)	**20**	(137)

12. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	2018	2017
	HK$'000	*HK$'000*
Properties, plant and equipment	**29,761**	–
Prepayments, deposits and other receivables	**628**	–
Bank balances and cash	**95**	–
Assets classified as held for sale	**30,484**	–
Other payables and accruals	**220**	–
Income tax payable	**2**	–
Liabilities directly associated with assets classified as held for sale	**222**	–

Notes:

Disposal Group Held for Sale

In March 2018, management had the plan to dispose of the Hangzhou properties and iron mining business operated in Indonesia. As the carrying amount of the disposal group will be recovered principally through a sale transaction rather than through continuing use, the Group classified the above assets and liabilities as held for sale.

The carrying amount of related assets and liabilities are carried at the lower of carrying amount and their fair value less costs to sell and, Management considers that no impairment loss was recognised.

13. INTERESTS IN ASSOCIATES

	2018	2017
	HK$'000	*HK$'000*
Cost of investments in associates		
At the beginning of the year	**427,228**	456,313
Addition	**234,892**	–
Disposal	**(427,272)**	–
Share of post-acquisition losses and other comprehensive income during the year, net of dividends received	**(7,888)**	(29,085)
At the end of the year	**226,960**	427,228

	2018	2017
	HK$'000	*HK$'000*
Amount due from an associate	**–**	11,789

(a) Amount due from an associate is unsecured, interest-free and recoverable on demand.

(b) The Group disposed 35% equity interests in Shenzhen Zhaosheng Anye Investment Development Company Limited* (深圳招商安業投資發展有限公司) through disposal of 60% and 40% equity interest in a subsidiary, Shenzhen Penghongsheng Industrial Development Limited* (深圳鵬鴻昇實業發展有限公司) on 11 May 2017 and 30 October 2017 respectively.

(c) On 25 April 2017, the Group acquired 20% equity interests in Hong Kong Spring Water Ding Dong Group Company Limited. After the acquisition, Hong Kong Spring Water Ding Dong Group Company Limited and its wholly-owned subsidiary in Guangxi become associates of the Group.

* *For identification purpose only*

14. LOAN RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Loan receivables	**149,050**	37,595
Interest receivables	**2,451**	749
	151,501	38,344

Based on the loan commencement date set out in the relevant contracts, aging analysis of the Group's loan receivables as of each reporting date is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 180 days	**151,501**	24,570
181 – 365 days	**–**	13,774
	151,501	38,344

The Group's loan receivables, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollars. The loan receivables were repaid in accordance with the terms of the loan agreements and all loan receivables are recoverable within one year.

All loan receivables are secured, bear interest and are receivable with fixed terms agreed with customers. The maximum exposure to credit risk at the reporting date is the carrying value of the loan receivables. The aged analysis of the loan receivables that are not individually nor collectively considered to be impaired is as follows:

	2018	2017
	HK$'000	*HK$'000*
Neither past due nor impaired	**–**	24,570
Less than 90 days past due	**151,501**	13,774
	151,501	38,344

As at 31 March 2018, the loan receivables of approximately HK$151,501,000 were past due but not impaired. The overdue amounts were fully settled in April 2018, it indicates that no impairment is needed.

As at 31 March 2018, the effective interest rates on the Group's loan receivables is approximately 5.5% (2017: 12.4%) per annum. Interest income of approximately HK$7,343,000 (2017: HK$6,651,000) has been recognised in revenue in the consolidated statement of profit or loss and other comprehensive income during the year and receivable on the date of repayment.

15. DEPOSITS PAID

	2018	2017
	HK$'000	*HK$'000*
Deposits for acquisition of investment properties	**798,871**	361,011

16. TRADE PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**41,726**	39,560

The following is an ageing analysis of trade payables at the end of the reporting period, based on the contract date or invoice date:

	2018	2017
	HK$'000	*HK$'000*
0 to 90 days	**–**	–
91 to 180 days	**294**	850
181 to 365 days	**–**	30,385
Over 365 days	**41,432**	8,325
	41,726	39,560

The trade payables are non-interest bearing, normally settled on terms of one year, and denominated in RMB.

RESULTS OF THE YEAR

For the year ended 31 March 2018, the consolidated revenue, net, contributed from continuing operations of the Group amounted to approximately HK$7,343,000 (2017: HK$6,651,000). Accordingly, the Group's continuing operations reported a gross profit of approximately HK$7,343,000 for the year (2017: HK$6,651,000).

The Group recorded a loss attributable to the owners of the Company amounted to approximately HK$123,989,000 for the year ended 31 March 2018 (2017: HK$92,794,000). The increase in loss was mainly due to (i) the impairment loss on properties under development; and (ii) loss on early redemption of promissory notes.

Basic and diluted loss per share from continuing and discontinued operations for the year ended 31 March 2018 was HK$0.021 (2017: HK$0.017).

BUSINESS REVIEW

During the year ended 31 March 2018, the net revenue had increased approximately 10% over last year. The Group has continuously focused its effort on the property development and property investment business in the PRC. The Group has expanded its property investment business in Shenyang in January 2018. For property development business in Dalian, the first phase is nearly completed and expected to recognise the revenue in the coming years.

The Group has diversified its business to water business including bottled water production and sales business in Guangxi and water mining business in Hunan. The Board is confident that the operation of water business will contribute positively to the Group in future. Apart from expanding the business, the Group has disposed the non-profitable business and continued to rationalise its cost structure.

Environmental Policies and Performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. As a responsible corporation, the Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment and has adopted effective measures to achieve efficient use of resources, energy saving and waste reduction.

Compliance with Laws and Regulations

During the year ended 31 March 2018, there was no incident of significant non-compliance to any relevant laws and regulations in all material aspects for the Group.

Relationship with Suppliers, Customers and other Stakeholders

During the year ended 31 March 2018, there were no material and significant dispute between the Group and its key stakeholders, including employees, customers, suppliers, banks, regulators and Shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Water Business

The Group aimed to broaden its business spectrum by extending its business into water mining, production and sales of bottled water business. The Group had successfully completed two strategic acquisitions for bottled water production and sales business in Guangxi and water mining business in Hunan.

Water Production and Sales

The Group entered into an acquisition agreement on 19 April 2017 to acquire 20% equity interests of Hong Kong Spring Water Ding Dong Group Company Limited ("Spring Water") at a consideration of HK$273,000,000. A wholly-owned subsidiary in Guangxi of Spring Water held a water procurement permit for production and sales of bottled water and is currently in operation.

During the year ended 31 March 2018, the Group shared loss of associates of approximately HK$7,855,000 (2017: Nil).

Water Mining

The Group entered into an acquisition agreement on 23 May 2017 to acquire 67% equity interests of Good Union (China) Limited ("Good Union") at a consideration of HK$244,000,000. An indirect wholly-owned subsidiary in Hunan of Good Union held a water mining licence for exploitation of spring water.

In accordance with the acquisition agreement, the vendor guaranteed a production volume of spring water of not less than (i) 50,000 cubic metres in 2019 and (ii) 100,000 cubic metres for each calendar year from 2020 to 2028. The factory is under construction and the expected completion date is on or around 31 December 2018.

During the year ended 31 March 2018, no revenue was derived from this segment and a loss of approximately HK$1,586,000 (2017: Nil) was recorded which mainly comprised administrative expenses.

Property Business

Property Development

Dalian Properties

Our indirectly wholly owned China subsidiary, Dalian Chuanghe Landmark Co Ltd. (大連創和置地有限公司) ("Dalian Chuanghe") continues engaging in the development of urban land for residential purpose in the real estate sector in Dalian and as planned to develop 55 buildings on the said land with 21 buildings in the first phase ("Phase I") and 34 buildings in the second phase ("Phase ll").

Phase l named "Xin Tian Jia Yuan" had almost completed the construction work except some public area and its utilities. It is expected to be completed in December 2018. There are 21 buildings established in Phase I with total saleable area of approximately 42,540 square metres. including 4 eight-storey apartments (小高層), 9 garden villas (洋房) and 8 garden houses (聯排別墅). As at 31 March 2018, total contracted sales achieved approximately RMB106,900,000 (of which pre-sale deposits of approximately RMB95,400,000 received), and total contracted gross saleable area was around 16,700 square metres.

For the Phase II, 34 buildings with approximately 69,000 square metres used as the saleable area. The initiation date will be in 2019.

Property Investment

Yantian Properties

(A) The Group entered into an acquisition agreement on 24 June 2014 ("2014 Acquisition Agreement"), a supplemental agreement on 15 April 2015, the second supplemental agreement on 12 July 2016, the third supplemental agreement on 17 May 2017 and the fourth supplemental agreement on 3 May 2018 to purchase the property at a consideration of approximately RMB100,000,000 (equivalent to approximately HK$126,000,000).

The property to be acquired represents 46 units of Jinma Creative Industry Park (formerly known as "Kingma Information Logistic Park") which is situated at Depot No. 2, 3rd Road and Shenyan Road Intersect, Inner Logistic Park, Yantian Bonded Area, Yantian District, Shenzhen City, the PRC* (中國深圳市鹽田區鹽田保税區物流園內三號路與深鹽路交匯處二號堆場) ("Jinma Creative Industry Park") with a total gross floor area of approximately 8,699 square metres.

As at 31 March 2018, the Group had obtained physical possession of the property and totally paid conditionally refundable deposit of RMB90,000,000 in accordance with the terms of payment stated in the sales and purchase agreement. The remaining balance of the consideration of approximately RMB10,000,000 shall be paid within 30 days from the date on which the relevant building ownership certificates have been issued in favour of the purchaser. The vendor shall register the title of the property under the name of the purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

(B) The Group entered into the second acquisition agreement on 15 May 2015 ("May 2015 Acquisition Agreement"), a supplemental agreement on 12 July 2016, the second supplemental agreement on 17 May 2017 and the third supplemental agreement on 3 May 2018 to further purchase the property at a consideration of approximately RMB65,100,000 (equivalent to approximately HK$81,400,000). The property to be acquired represents 30 units of Jinma Creative Industry Park with a total gross floor area of approximately 5,400 square metres.

As at 31 March 2018, the Group had obtained physical possession of the property and totally paid conditionally refundable deposit of RMB60,000,000 in accordance with the terms of payment stated in the sales and purchase agreement. The remaining balance of the consideration of approximately RMB5,100,000 shall be paid within 30 days from the date on which the property has been registered under the name of the purchaser. The vendor shall register the title of the property under the name of the purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

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(C) The Group entered into the third acquisition agreement on 10 November 2015 ("November 2015 Acquisition Agreement"), a supplemental agreement on 17 May 2017 and the second supplemental agreement on 3 May 2018 to further purchase the property at a consideration of approximately RMB101,600,000 (equivalent to approximately HK$122,000,000). The property to be acquired, being a single-storey reinforced concrete building designated for office and storage uses, is the Block 2 of Jinma Creative Industry Park with a total gross floor area of approximately 4,957 square metres.

    As at 31 March 2018, the Group had obtained physical possession of the property and totally paid conditionally refundable deposit of RMB100,000,000 in accordance with the terms of payment stated in the sales and purchase agreement. The remaining balance of the consideration of approximately RMB1,600,000 shall be paid within 30 days from the date on which the property has been registered under the name of the purchaser. The vendor shall register the title of the property under the name of the purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

Zengcheng Properties

Reference is made to the announcements of the Company dated 15 April 2015, 5 June 2015, 27 August 2015, 15 June 2016 and 18 January 2017 in relation to the acquisition of certain properties located in Jinma Waterfront Square* (金馬水岸廣場). Given that the vendor failed to deliver the physical possession of the properties within the timeframe specified in the acquisition agreements, the Group served a termination notice to the vendor on 18 January 2017 and demand the refund of the consideration in the amount of RMB274,000,000 pursuant to the terms and conditions of the acquisition agreements and the payment of an additional sum representing not less than 3% thereof as compensation (details of which were disclosed in the announcement dated 18 January 2017). As at 31 March 2018, the Group had totally received RMB183,000,000 for the refund of the paid consideration and the payment of the compensation. The Group anticipates that the remaining balance of the refund will be received by 31 December 2018, failing which the Group may consider taking legal action against the vendor.

Hangzhou Properties (Discontinued Operations)

In late 2015, the patisserie coffee shop and the indoor recreation playground business operated in Hangzhou properties had ceased due to weak performance. Hangzhou, capital of Zhejiang province, it has a population of nearly 9 million and is one of China's richest cities. However, the property market in Hangzhou suffered from the state macro control and has a pressure in its economic growth. The Group planned to dispose of the Hangzhou properties to potential investors.

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Beijing Properties

The Group entered into an acquisition agreement on 28 February 2017 to purchase (a) office premises with a gross floor area of 8,335 square metres and (b) underground car park with a gross floor area of 3,100 square metres located in the Phrase III of the Beijing Convention and Exhibition International Port (Exhibition Centre Ancillary Facilities) Project* (北京會展國際港展館配套設施項目第三期) for a consideration of approximately RMB220,000,000 (subject to adjustment).

As at 31 March 2018, the Group totally paid consideration of RMB200,000,000 in accordance with the terms of payment stated in the sales and purchase agreement. The remaining balance of the consideration of approximately RMB20,000,000 shall be paid upon the pre-sale agreement between the vendor and the purchaser in relation to the sale and purchase of the property having been entered into and the building owner certificate having been obtained by the purchaser. Currently, the Beijing Properties are under construction and are expected to be completed on or around 31 December 2018.

Shenyang Properties

The Group entered into a sale and purchase agreement on 12 October 2017 to purchase the properties at a total consideration of RMB625,000,000 (subject to adjustment). The properties comprise Floors 7 to 35 of Building T3 situated at 46 Nanjing North Street, Heping District, Shenyang City, Liaoning Province, PRC with a gross floor area of approximately 34,754.58 square metres, while the gross floor area of office is approximately 30,480.96 square metres.

As at 31 March 2018, the Group had paid RMB199,750,000 to the vendor, representing approximately 31.96% of the total consideration. Currently, the Shenyang Properties are under construction. According to the sale and purchase agreement, completion of the acquisition shall take place before 31 December 2019 or such other date as the vendor and the purchaser may agree in writing.

The Group recorded a loss from property development and investment segment of approximately HK$34,375,000 for the year ended 31 March 2018 (2017: HK$8,921,000). The loss was mainly comprised of operation and administrative expenses and impairment loss on properties under development.

* *For identification purpose only*

Iron Ore Mining Business (Discontinued Operations)

While facing the Ministerial Regulation No. 1/2014 promulgated by the Indonesian Government regarding the export restriction of iron sand still in force, the management had decided to stem the export of the iron sand trading business of PT. Dampar Golden International (an indirect 60% non-wholly owned subsidiary of the Group) in Indonesia during the period under review as the purity level of the iron sand did not meet the minimum requirement under the Indonesia mining regulation.

After dismantled and removed the processing plants to warehouse, the management is continuing to explore the opportunity to dispose the plants and inventory. Meanwhile, the Group had closed down all activities except for those office and administration function.

Under the circumstances, the Company planned to dispose the Indonesia mining business to potential investors who are interested in the mine so that the management can focus their effort on the other business units.

Investing and Financing Business

Money Lending Business

The Group has obtained a money lenders licence in Hong Kong since July 2015 through its indirect wholly-owned subsidiary, Asia Financial Holdings (Hong Kong) Limited ("Asia Financial"). Under the Money Lenders Ordinance (Chapter 163 of Laws of Hong Kong), Asia Financial has commenced the money lending business since September 2015. In view of the keen competition on this business, the Group will continue to approach high credit rating customers.

For the year under review, the money lending business recorded a revenue of approximately HK$7,343,000 (2017: HK$6,651,000).

Securities and Other Trading Business

During the year under review, due to the volatility of the stock market, the management was prudent in taking risk on the securities trading business. There is no trading of securities during year ended 31 March 2018. The management focus their effort on other business.

Therefore, the securities trading business for the year ended 31 March 2018 recorded a loss of approximately HK$2,895,000 (2017: HK$2,870,000). The loss was mainly due to the fair value change of the securities.

Other

(A) The Group entered into a sale and purchase agreement on 29 June 2016 with Ms. Hu Huifang* (胡惠芳) and Ms. Shi Xiulan* (石秀蘭), relating to the acquisition of 100% equity interest of Shaanxi Tiandi Zhongli Energy Development Company Limited* (陝西天地眾力能源發展有限公司) ("Shaanxi Tiandi") at a consideration of RMB31,200,000 (equivalent to approximately HK$36,816,000). Shaanxi Tiandi was established in the PRC with limited liability and is principally engaged in vehicle liquefied natural gas supply business, it owns and operates the LNG Station. On 26 May 2017, the Group has served a termination notice to the vendors for, among other things, termination of the sale and purchase agreement.

(B) During the year under review, the Group paid interest for convertible notes/bonds of approximately HK$9,792,000 (2017: HK$10,442,000) and incurred non-cash finance costs of approximately HK$24,827,000 (2017: HK$32,115,000) as a result of the imputed interests on the convertible notes/bonds issued.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2018 (2017: Nil).

SHARE CAPITAL

As at 31 March 2018, the total number of issued ordinary shares of the Company was 6,343,690,000 (31 March 2017: 5,343,690,000). On 7 July 2017, the Company and Mr. Li Yuguo entered into a subscription agreement that Mr. Li Yuguo agreed to subscribe 1,000,000,000 new ordinary shares at subscription price of HK$0.25 per share. The subscription had been completed on 8 August 2017. Details of which are set out in the announcements of the Company dated 7 July 2017 and 8 August 2017. Saved as disclosed above, there was no change in the share capital structure of the Company during the period under review.

CAPITAL STRUCTURE

Shareholders' equity increases to approximately HK$2,145,072,000 as at 31 March 2018 from approximately HK$1,884,213,000 as at 31 March 2017. As at 31 March 2018, the short term and long term interest bearing debts to shareholders' equity was 10.92% (2017: 11.13%).

* *For identification purpose only*

2015 CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 21 May 2015 and 20 August 2015 and the circular of the Company dated 6 July 2015 in relation to the placing of a 3-year 4% coupon convertible bonds due 2018 (at a conversion price of HK$0.72 — subject to adjustment) in the aggregate principal amount of up to HK$432,000,000 (the "2015 CB Placing"). The 2015 CB Placing was completed on 20 August 2015 (the "2015 Convertible Bonds").

During the year under review, no holder of the 2015 Convertible Bonds has converted any outstanding principal amount into shares of the Company. As at 31 March 2018, the principal amount of the 2015 Convertible Bonds outstanding was HK$244,800,000 (2017: HK$244,800,000).

EQUITY FUND RAISING ACTIVITIES

Subscription of Shares

On 7 July 2017, the Company and Mr. Li Yuguo entered into a subscription agreement that Mr. Li Yuguo agreed to subscribe 1,000,000,000 new ordinary shares at subscription price of HK$0.25 per share. The subscription had been completed on 8 August 2017. Details of which are set out in the announcements of the Company dated 7 July 2017 and 8 August 2017.

The net proceeds of approximately HK$249,900,000 are intended to be used for acquisition and development of businesses relating to natural resources or the products thereof or for working capital of the Group. As at 31 March 2018, the net proceeds of subscription of shares of approximately HK$230,000,000 was still kept for intended use.

Change in Use of Proceeds from Previous Subscription of Shares

On 19 May 2015, the Company entered into a share subscription agreement, which the Company had conditionally agreed to allot and issue a total of 1,330,000,000 subscription shares at the subscription price of HK$0.36 per share with Xi'an Communication Energy (Hongkong) Co., Limited. The share subscription was completed on 16 November 2015. The net proceeds of the share subscription of approximately HK$472,600,000 were intended to utilise as (i) general working capital of the Group and (ii) the investment in natural gas business when opportunities arise.

On 23 May 2017, the directors of the Company considered there may not be a reasonable prospect that relevant investment opportunities on natural gas business could be identified in the foreseeable future. Therefore, the directors changed the use of proceeds of (i) approximately HK$244,000,000 for investment in entities engage in exploitation, production and sales of spring water, (ii) approximately HK$23,000,000 for working capital of the Group and (iii) approximately HK$205,600,000 deposited in the bank accounts of the Group. Details of which are set out in the announcements of the Company dated 21 May 2015, 16 November 2015 and 23 May 2017 and the circular of the Company dated 6 July 2015.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group had total assets of approximately HK$2,860,646,000 (2017: HK$2,433,016,000) which was financed by current liabilities of approximately HK$569,728,000 (2017: HK$306,712,000), non-current liabilities of approximately HK$36,354,000 (2017: HK$251,238,000), non-controlling interests of approximately HK$109,492,000 (2017: deficit balance approximately HK$9,147,000) and shareholders' equity of approximately HK$2,145,072,000 (2017: HK$1,884,213,000).

The Group's current ratio as at 31 March 2018 was approximately 2.55 (2017: 5.23) and gearing ratio, representing the sum of convertible bonds, divided by the shareholders' equity was 10.92% (2017: 11.13%). The convertible bonds are denominated in Hong Kong Dollars and with fixed interest coupon rate.

As at 31 March 2018, the Group had no pledge/charge on Group's assets (2017: Nil).

As at 31 March 2018, except for the capital commitment amounting to approximately HK$754,344,000 (2017: HK$251,442,000), the Group had no other material capital commitment and contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE YEAR

Acquisitions

Acquisition of 20% equity interest of Hong Kong Spring Water Ding Dong Group Company Limited

The Group entered into an acquisition agreement with a company beneficially owned by our substantial shareholder, Mr. Li Yuguo on 19 April 2017 to acquire 20% of the equity interest of Spring Water at a consideration of HK$273,000,000 which was settled by promissory notes (details of which were disclosed in the announcements dated 19 April 2017 and 25 April 2017). The acquisition was completed on 25 April 2017. On 14 June 2017, the promissory notes had been fully redeemed.

Spring Water and its wholly-owned subsidiary principally engage in production and sales of bottled water, and are currently in operation.

Acquisition of 67% equity interest of Good Union (China) Limited

The Group entered into an acquisition agreement on 23 May 2017 to acquire 67% of the issued share capital of Good Union at a consideration of HK$244,000,000 (details of which were disclosed in the announcements dated 23 May 2017 and 7 June 2017). The acquisition was completed on 7 June 2017.

An indirect wholly owned subsidiary in Hunan of Good Union held a water mining licence for exploitation of spring water.

Acquisition of Shenyang properties

The Group entered into sale and purchase agreement on 12 October 2017 to purchase the properties comprising Floors 7 to 35 of Building T3 situated at 46 Nanjing North Street, Heping District, Shenyang City, Liaoning Province, PRC under the Shenyang Commodity Housing Pre-sale Permit No. 16122 for a total consideration of RMB625,000,000 (subject to adjustment) (details of which were disclosed in the announcement and circular dated 12 October 2017 and 22 January 2018). The vendor is a company incorporated in the PRC with limited liability and beneficially owned by Mr. Li Yuguo, a substantial shareholder and the Chairman and Executive Director of the Company. The acquisition has not yet completed as at 31 March 2018.

Disposals

Disposal of 60% and 40% equity interests of Shenzhen Penghongsheng Industrial Development Limited (深圳鵬鴻昇實業發展有限公司) ("Penghongsheng")*

The Group entered into a disposal agreement on 27 April 2017 to dispose 60% equity interest of Penghongsheng and the sales loan for a total consideration of RMB240,000,000 (equivalent to approximately HK$271,200,000). The disposal was subsequently completed on 11 May 2017.

The Group entered into the second disposal agreement on 6 June 2017 to dispose 40% equity interest of Penghongsheng and the sales loan for a total consideration of RMB160,000,000 (equivalent to approximately HK$188,000,000). The disposal was subsequently completed on 30 October 2017.

Save as disclosed above, there was no other material acquisition or disposal of subsidiaries or associates of the Company during the year under review.

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 2018. 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 42 (2017: 45) employees in Hong Kong, Indonesia and the PRC as at 31 March 2018. The total cost (staff salary and director emolument) for the year ended 31 March 2018 amounted to approximately HK$10,272,000 (2017: HK$47,868,000). 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.

* *For identification purpose only*

SUBSEQUENT EVENTS

(a) On 17 April 2018, the Company and Mr. Li Yuguo ("the Subscriber") entered into the subscription agreement ("Subscription Agreement"), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the 1,268,000,000 shares at HK$0.25 on the Subscription Completion Date. The Subscriber is the Chairman, an executive director and a substantial shareholder who holds 1,000,000,000 shares, representing approximately 15.76% of the issued share capital of the Company. Details of which are set out in the announcement and circular of the Company dated 17 April 2018 and 4 June 2018 respectively.

(b) On 3 May 2018, Shengyi Information Consulting (Shenzhen) Co., Ltd. (晟奕信息諮詢（深圳）有限公司) ("Shengyi"), a wholly owned subsidiary of the Company, and ISH Yanbao Logistics (Shenzhen) Co., Ltd. (綜合信興鹽保物流（深圳）有限公司) ("ISH Yanbao") entered into the supplemental agreement to the 2014 Acquisition Agreement, the May 2015 Acquisition Agreement and the November 2015 Acquisition Agreement, pursuant to the timetables, progress, delay and any relevant terms in relation to the fact that ISH Yanbao shall register the title of the investment properties under the name of Shengyi. Details of which are set out in the announcement of the Company dated 3 May 2018.

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

During the year ended 31 March 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of maintaining a high standard of corporate governance with an aim to protect the interest of shareholders.

The Company has adopted the Corporate Governance Code contained in Appendix 14 (the "Code") of the Listing Rules. During the year ended 31 March 2018, the Company complied with all applicable provisions of the Code except for the deviation as stated below:

Code Provision A.1.3

Under Code provision A.1.3, notice of at least 14 days should be given of a regular Board meeting to give all directors an opportunity to attend. For all other Board meetings, reasonable notice should be given. Due to the practical reasons, 14 days' advanced notifications have not been given to all meetings of the Board. Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavours to give 14 days' advanced notifications of Board meeting to the extent practicable.

Code Provision A.2.1

Under Code provision A.2.1, the roles of chairman and chief executive officer ("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. During the year, the roles of the Chairman and CEO of the Company were not separate and were performed by Mr. Wu Hongquan until his resignation on 28 April 2017. Subsequently, Mr. Li Yuguo was appointed as Chairman of the Company on 22 September 2017 and Mr. Huang Yilin was appointed as CEO of the Company on 16 August 2017.

Code Provision A.6.7

Under Code provision A.6.7, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, an independent non-executive director was unable to attend the special general meeting of the Company held on 12 February 2018.

CODE ON CORPORATE GOVERNANCE PRACTICES 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.

REVIEW OF FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2018 have been agreed by the auditors of the Company.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the 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, risk management 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.asiaresources899.com. 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
Huang Yilin
Executive Director

Hong Kong, 26 June 2018

As at the date of this announcement, the Board consists of six executive directors, Mr. Li Yuguo, Mr. Huang Yilin, Mr. Chan Shi Yin, Keith, Ms. Guo Yumei, Mr. Liu Yan Chee, James and Mr. Chan Yuk Sang; and three independent non-executive directors, Mr. Zhang Xianlin, Mr. Kwok Hong Yee, Jesse and Mr. Ng Ping Yiu.