

Chairman's Statement, Management Discussion and Analysis

On behalf of the Board of Directors (the "Board") of Asia Resources Transportation Holdings Limited (the "Company"), I present to our shareholders the report and the audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2002.

Financial year ended 31st March, 2002 was a year of repositioning for the Group's business. In March 2002, Unichina Enterprises Limited became the controlling shareholder of the Company. Since then, the Board, comprising some new directors, has been actively looking for investment opportunities in the People's Republic of China ("PRC").

RESULTS

The Group's overall turnover for the year ended 31st March, 2002 amounted to approximately HK\$28,777,000, compared with HK\$185,955,000 for the year ended 31st March, 2001. The Group's loss attributable to shareholders was approximately HK\$136,369,000, compared with the loss of HK\$109,590,000 for the year ended 31st March, 2001. The loss per share for the year ended 31st March, 2002 was HK7.5 cents, compared with the loss per share for the year ended 31st March, 2001 was HK7.1 cents.

In light of the Group's performance, the Board did not recommend the payment of any dividend for the year (2001: Nil).

BUSINESS REVIEW

The past year has been a difficult one for the Group's business, especially for the charter hiring of vessels, sales of airline tickets and the local restaurant operation. Soft demand led to price pressure and reduced margin, impacted significantly the Group's performance. The situation worsened after the tragic event of September 11 in the U.S. Since then, the Group decided to scale down non-profitable businesses and diversify into businesses which generated profits and/or growth.

PROSPECT

It is expected that the current global economy remains unfavourable, we believe that it is appropriate to adopt a cautious investment strategy. Nevertheless, the focus will be continuously on the PRC's market, which is believed to have one of the strongest growth among all other parts of the world. The Board is confident that the PRC's market, after China's WTO accession, will continue to offer promising opportunities for investors in various sectors.

The Group has joint-ventured with Siping Ju Neng Medicine Industry Co. Ltd. ("SPJN"). It is an established manufacturer of pharmaceutical products in the PRC. As stated in the circular dated 8th July, 2002 to shareholders, the Board believes that the PRC pharmaceutical market will be one of the fastest growing industries in the PRC and will have potential for further growth. With an established track record of turnover and profits, the investment in SPJN will bring in stable income to the Group.

In the course of business repositioning, the Board will continue to eradicate non-profit producing practices and the Board believes that the Group has emerged from a difficult year and is stronger than before. The Board will continue to prospect for investments in pharmaceutical products sector, and to focus on

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exploring and identifying other investment targets with growth potential in China, striving at increasing shareholders' wealth. We will continue to optimize our internal resources, closely managing and, over time, significantly reducing our debt. In order to be in line with the Group's new business direction, the Board proposed to change the name of the Company to "Asia Resources Holdings Limited", subject to your approval in the forthcoming Annual General Meeting.

FINANCIAL RESOURCES AND LIQUIDITY

For the year ended 31st March 2002, the Group recorded a turnover of approximately HK\$28,777,000 (2001: HK\$185,955,000), which represented a decrease of approximately 84.5% as compare to last year. The significant decrease was largely attributable by scale down and disposal of non-profitable businesses within the Group. The loss attributable to shareholders for the year amounted to approximately HK\$136,369,000 (2001: HK\$109,590,000), which represented an increase of approximately 24.4% as compare to last year.

As at 31st March 2002, the Group had total assets of HK\$105,300,000 (2001: HK\$205,086,000) which was financed by current liabilities of HK\$55,667,000 (2001: HK\$38,354,000), long term liabilities of HK\$4,708,000 (2001: HK\$13,931,000) and shareholders' equity of HK\$44,925,000 (2001: HK\$152,801,000). The current ratio was approximately 0.52 (2001: 0.32) and the gearing ratio of the Group was 83.7% (2001: 22%). The ratio has been calculated based on the total borrowing to the total shareholders' equity of the Group.

As at 31st March 2002, the Group had pledged certain of its property, plant and equipment with an aggregate net book value of HK\$ 50,000,000 (2001: HK\$68,000,000) and bank deposit of Nil (2001: HK\$684,000) to secure the credit facilities granted to the Group.

As at 31st March 2002, the Company has given corporate guarantees to the extent of HK\$31,000,000 (2001: HK\$35,359,000) in respect of credit facilities extended to subsidiaries. The extent of such facilities utilized by the subsidiaries at 31st March 2002 amounted to approximately HK\$13,527,000 (2001: HK\$20,445,000).

Save as disclosed above, the Group had no other material commitment, including capital commitment.

STAFF EMPLOYMENT

Remuneration packages are generally structured by reference to market terms and individual qualifications. The Group operates a mandatory provident fund scheme which covers all the employees of the Group.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation for the valuable efforts of our directors including those served the Board as directors before March 2002, management and employees for their contributions to the Group. I also thank our business associates and investors for their continued support over the years.

Wong Kwong Miu

Chairman

25th July, 2002