

## INTERIM RESULTS

The Board of Directors of Asia Resources Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively refer to as the "Group") for the six months ended 30th September 2002 together with the comparative figures for the corresponding period in 2001 are as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September 2002

	Notes	For the six months ended 30th September	
		2002 (unaudited) HK\$'000	2001 (unaudited) HK\$'000
Turnover	3	26,712	19,890
Cost of sales		<u>(12,505)</u>	<u>(14,611)</u>
Gross profit		14,207	5,279
Interest income		85	55
Other revenue		1,575	124
Selling and distribution cost		(2,317)	-
Administrative expenses		(15,250)	(15,984)
Gain on disposal of discontinued operations	11	2,116	-
Loss on disposal of a vessel		<u>-</u>	<u>(5,377)</u>
Profit/(loss) from operations	4	416	(15,903)
Finance costs		<u>(1,231)</u>	<u>(1,560)</u>
Loss before taxation		(815)	(17,463)
Taxation	5	<u>-</u>	<u>-</u>
Loss after taxation		(815)	(17,463)
Minority interest		<u>(5,398)</u>	<u>-</u>
Net loss attributed to shareholders		<u><u>(6,213)</u></u>	<u><u>(17,463)</u></u>
Loss per share – Basic and diluted	6	<u><u>(0.19 cent)</u></u>	<u><u>(1.0 cent)</u></u>

**CONDENSED CONSOLIDATED BALANCE SHEET**

At 30th September 2002

	Notes	30th September 2002 (unaudited) HK\$'000	31st March 2002 (audited) HK\$'000
<b>Non-current assets</b>			
Investment properties	7	12,930	12,930
Property, plant and equipment		112,215	63,317
Goodwill		71,663	-
		<u>196,808</u>	<u>76,247</u>
<b>Current assets</b>			
Stock		6,485	-
Trade and other receivables	8	46,400	1,672
Bank balances and cash		10,327	27,381
		<u>63,212</u>	<u>29,053</u>
<b>Current liabilities</b>			
Trade and other payables	9	23,172	19,566
Trade payables to an associate		-	10
Obligations under finance lease due within one year		2,308	2,758
Taxation		3,012	3,207
Bank loans		25,448	-
Other loans due within one year-secured		8,958	9,614
Other short-term loans		10,105	20,495
Bank overdrafts-secured		-	17
		<u>73,003</u>	<u>55,667</u>
Net current liabilities		<u>(9,791)</u>	<u>(26,614)</u>
Total assets less current liabilities		<u>187,017</u>	<u>49,633</u>
<b>Non-current liabilities</b>			
Obligations under finance lease due after one year		-	(795)
Other loans due after one year-secured		-	(3,913)
Bonds		(61,175)	-
		<u>(61,175)</u>	<u>(4,708)</u>
Minority interest		<u>(41,823)</u>	<u>-</u>
Net assets		<u>84,019</u>	<u>44,925</u>
<b>Capital and reserve</b>			
Share capital	10	40,932	28,682
Reserve		43,087	16,243
Shareholders' funds		<u>84,019</u>	<u>44,925</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2002

	Share capital HK\$'000	Share premium HK\$'000	Assets revaluation reserve HK\$'000	Goodwill HK\$'000	Special reserve HK\$'000	Deficit HK\$'000	Total HK\$'000
At 1st April 2002	28,682	15,859	18	-	92,926	(92,560)	44,925
Allotment of shares for acquiring a subsidiary	12,250	33,075	-	-	-	-	45,325
Realized on disposal of subsidiaries	-	-	(18)	-	-	-	(18)
Net loss attributed to shareholders	-	-	-	-	-	(6,213)	(6,213)
<b>At 30th September 2002</b>	<b>40,932</b>	<b>48,934</b>	<b>-</b>	<b>-</b>	<b>92,926</b>	<b>(98,773)</b>	<b>84,019</b>
At 1st April 2001	176,821	59,235	3,372	(2,698)	92,926	(176,855)	152,801
Realized on disposal of property, plant and equipment	-	-	(2,289)	-	-	2,289	-
Net loss attributed to shareholders	-	-	-	-	-	(17,463)	(17,463)
<b>At 30th September 2001</b>	<b>176,821</b>	<b>59,235</b>	<b>1,083</b>	<b>(2,698)</b>	<b>92,926</b>	<b>(192,029)</b>	<b>135,338</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT***For the six months ended 30th September 2002*

	<b>For the six months ended 30th September</b>	
	<b>2002</b>	2001
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Net cash used in operating activities	<b>(20,051)</b>	(5,076)
Net cash from investing activities	<b>575</b>	2,954
Net cash from/(used in) financing	<b>(7,278)</b>	1,968
Decrease in cash and cash equivalents	<b>(26,754)</b>	(154)
Cash and cash equivalents at beginning of the period	<b>37,081</b>	1,813
Cash and cash equivalents at end of the period	<b>10,327</b>	1,659
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<b>10,327</b>	1,659

## NOTES TO THE CONDENSED FINANCIAL STATEMENT

*For the six months ended 30th September 2002*

### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, land and building and vessels.

The accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group's audited financial statements for the year ended 31st March 2002, except the following new/revised SSAPs adopted for the first time in the preparation of the current period's condensed consolidated financial statements:

SSAP 1 (revised)	:	Presentation of Financial Statements
SSAP 11 (revised)	:	Foreign Currency Translation
SSAP 15 (revised)	:	Cash Flow Statement
SSAP 33	:	Discontinuing Operations
SSAP34	:	Employee Benefits

These newly introduced/revised SSAPs do not have any material impact to the accounting policies and financial results of the Group except that certain comparatives presented have been reclassified to conform to the new disclosure requirements.

### 3. TURNOVER AND SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to profit/(loss) from operations by business and geographical segments is as follows:

	Turnover		Contribution to profit/ (loss) from operations	
	For the six months ended 30th September		For the six months ended 30th September	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
<b>Business segment</b>				
<i>Continuing operations</i>				
Sale of intravenous fluids	18,809	–	6,528	–
Transportation related service	435	5,711	(7,266)	(15,103)
	<b>19,244</b>	5,711	<b>(738)</b>	(15,103)
<i>Discontinued operations</i>				
Travel related services	4,063	7,513	(269)	(508)
Catering service	3,405	6,666	(693)	(292)
	<b>26,712</b>	19,890		
Segment results			(1,700)	(15,903)
Gain on disposal of discontinued operations			2,116	–
Profit/(loss) from operations			<b>416</b>	<b>(15,903)</b>
<b>Geographical segments</b>				
Hong Kong	7,468	14,179	(7,876)	(7,669)
Other parts of the People's Republic of China	19,244	911	6,176	(2,685)
Taiwan	–	4,800	–	(5,549)
	<b>26,712</b>	19,890		
Segment results			(1,700)	(15,903)
Gain on disposal of discontinued operations			2,116	–
Profit/(loss) from operations			<b>416</b>	<b>(15,903)</b>

#### 4. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations has been arrived at after charging:

	<b>For the six months ended 30th September</b>	
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
Depreciation and amortization of property, plant and equipment	<b>4,059</b>	8,554
Amortization of goodwill	<b>602</b>	-
	<u><b>4,661</b></u>	<u>8,554</u>

#### 5. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit for the period.

No provision for income tax in The People's Republic of China (the "PRC") has been made since the subsidiary operating in the PRC was granted income tax exemption for the period in accordance with the relevant PRC's tax rules and regulation.

#### 6. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss attributable to shareholders for the period of HK\$6,213,000 (2001: HK\$17,463,000) and the weighted average number of 3,283,245,023 ordinary shares (2001: 1,768,212,559 ordinary shares) in issue during the period.

Diluted loss per share for the six months ended 30th September 2002 and 2001 have not been shown as the effect of the dilutive potential ordinary shares for these periods is anti-dilative.

#### 7. INVESTMENT PROPERTIES

The directors are of the opinion that the market value of the Group's investment properties as at 30th September 2002 is not materially different from the carrying value of the investment properties. Accordingly, no valuation movement has been recognized in respect of the Group's investment properties in the period.

## 8. TRADE AND OTHER RECEIVABLES

	<b>30th September, 2002 HK\$'000</b>	31st March, 2002 HK\$'000
Trade receivables	<b>28,366</b>	796
Other receivables	<b>18,034</b>	876
	<b>46,400</b>	1,672

The Group allows an average credit period of 30 days to 120 days (2001: 30 days to 120 days) to its trade customers. The following is an aged analysis of trade receivables at the reporting date:

	<b>30th September, 2002 HK\$'000</b>	31st March, 2002 HK\$'000
Age		
Within 3 months	<b>26,507</b>	768
More than 3 months, but less than 6 months	<b>934</b>	28
More than 6 months, but less than one year	<b>1,228</b>	-
More than one year	<b>1,539</b>	-
Less: Provision for doubtful debts	<b>(1,842)</b>	-
	<b>28,366</b>	796

## 9. TRADE AND OTHER PAYABLES

	<b>30th September, 2002 HK\$'000</b>	31st March, 2002 HK\$'000
Trade payables	<b>5,677</b>	6,791
Other payables	<b>17,495</b>	12,775
	<b>23,172</b>	19,566



The following is an aged analysis of trade payable at the reporting date:

	<b>30th September, 2002 HK\$'000</b>	31st March, 2002 HK\$'000
Age		
Within 3 months	<b>2,840</b>	1,964
More than 3 months, but less than 6 months	<b>622</b>	150
More than 6 months, but less than one year	<b>808</b>	–
More than one year	<b>1,407</b>	4,677
	<b><u>5,677</u></b>	<b><u>6,791</u></b>

#### 10. SHARE CAPITAL

	<b>30th September, 2002 HK\$'000</b>	31st March, 2002 HK\$'000
Authorized:		
100,000,000,000 shares of HK\$0.01 each	<b><u>1,000,000</u></b>	<b><u>1,000,000</u></b>
	<b>Number of Ordinary shares</b>	<b>Amount HK\$'000</b>
Issued and fully paid:		
At 1st April 2002	2,868,217,701	28,682
Allotment for acquiring a subsidiary	<u>1,225,000,000</u>	<u>12,250</u>
At 30th September 2002	<b><u>4,093,217,701</u></b>	<b><u>40,932</u></b>

## 11. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

**Discontinued operations**

Due to the continuing disappointing performance of the business of travel related services and catering service, the subsidiaries operated the business were disposed of on 27th July 2002 and 18th July 2002 respectively with total profits amounted to approximately HK\$2,116,000.

The results of the discontinued operations for the period from 1st April 2002 to the respective date of disposal and for the six months ended 30th September 2001 are as follows:

	<b>Travel related service</b>		<b>Catering service</b>	
	<b>Period from 1st April to 27th July 2002</b>	For the six months ended 30th September 2001	<b>Period from 1st April to 18th July 2002</b>	For the six months ended 30th September 2001
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Turnover	<b>4,063</b>	7,513	<b>3,405</b>	6,666
Cost of sales	<b>(3,730)</b>	(6,878)	<b>(1,310)</b>	(2,313)
Gross profit	<b>333</b>	635	<b>2,095</b>	4,353
Interest income	<b>4</b>	-	-	-
Other revenue	<b>50</b>	41	-	-
Administrative expense	<b>(656)</b>	(1,184)	<b>(2,788)</b>	(4,645)
Loss from operations	<b>(269)</b>	(508)	<b>(693)</b>	(292)
Finance cost	-	-	-	-
Loss before taxation	<b>(269)</b>	(508)	<b>(693)</b>	(292)
Taxation	-	-	-	-
Loss after taxation	<b>(269)</b>	(508)	<b>(693)</b>	(292)

The net liabilities of the discontinued operations at the respective date of disposal and at 31st March 2002 are as follows:

	<b>Travel related service</b>		<b>Catering service</b>	
	<b>27th July 2002</b>	31st March 2002	<b>18th July 2002</b>	31st March 2002
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Total assets	<b>927</b>	1,571	<b>606</b>	975
Total liabilities	<b>(4,315)</b>	(4,690)	<b>(2,642)</b>	(2,326)
Net liabilities	<b>(3,388)</b>	(3,119)	<b>(2,036)</b>	(1,351)

The net cash flows attributable to the discontinued operations are as follows:

	<b>Travel related service</b>		<b>Catering service</b>	
	<b>Period</b>	For the	<b>Period</b>	For the
	<b>from</b>	six months	<b>from</b>	Six months
	<b>1st April to</b>	ended 30th	<b>1st April to</b>	ended 30th
	<b>27th July</b>	September	<b>18th July</b>	September
	<b>2002</b>	2001	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Net cash used in operating activities	<b>(535)</b>	(468)	<b>(278)</b>	(137)
Net cash from/(used in) investing activities	-	-	-	-
Net cash from/(used in) financing	-	-	-	-

### Acquisition

During the period, the Group acquired 51% of the issued share capital of a new subsidiary for a total consideration for HK\$106,500,000 which was satisfied partially by the issue of 1,225,000,000 Company's shares at a price of HK\$0.037 each and partially by the issue of bonds with an aggregate principal amount of HK\$61,175,000.

The effect of the acquisition is summarized as follows:

	HK\$'000
Fixed assets	54,219
Trade and other receivable	22,703
Stock	7,067
Bank balances and cash	9,716
Accounts and other payable	(6,523)
Bank loans	(16,522)
Minority interest	(36,425)
Purchased goodwill arising on acquisition	72,265
	<u>106,500</u>
Discharged by:	
Issued of shares	45,325
Issued of bonds	61,175
	<u>106,500</u>
Net cash outflow arising on acquisition	
Cash and bank balances acquired	(9,716)
Bank loan acquired	16,522
	<u>6,806</u>

## INTERIM DIVIDEND

The Board of directors has resolved not to declare an interim dividend for the six months ended 30th September 2002 (2001: Nil).

## CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company on 3rd September 2002, the name of the Company has been changed to Asia Resources Holdings Limited “亞洲資源控股有限公司”.

## BUSINESS REVIEW AND PROSPECT

During the period under review, the Group recorded a turnover of approximately HK\$26,712,000 representing an increment of approximately 34% compared with the previous corresponding period. Operating profit amounted to approximately HK\$416,000. The increment in turnover and operating profit from operation were the result of the positive contributions from the Group's new business and the strategy in cost cutting especially in the closure of unprofitable operations.

Due to the continuing disappointing performance of the business of travel related services and catering service, the subsidiaries operated the business were disposed of in July 2002 with total profits amounted to approximately HK\$2,116,000.

During the period, the Group acquired an indirect controlling interest in Siping Ju Neng Medicine Industry Co. Ltd. (“SPJN”) through the acquisition of 51% interest in Value Brilliant Investments Limited (“Value Brilliant”). SPJN is an established manufacturer of pharmaceutical products in the PRC. As stated in the last annual report, 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. Moreover, the acquisition will not only enable the Group to capture opportunities in the PRC pharmaceutical market, but also to provide an income base to the Group taking into account the established track record of SPJN. Indeed, SPJN has made positive contributions to the Group during the period.

In the course of business repositioning, the Board will continue to eradicate or restructure non-profit producing practices. The Board is prospecting investments in pharmaceutical products sector, and to focus on exploring and identifying other investment targets with growth potential in the PRC, striving at increasing shareholder's wealth.

*\* for identification purpose only*

## FINANCIAL RESOURCES AND LIQUIDITY

As at 30th September 2002, the Group had total assets of HK\$260,020,000 (31st March 2002: HK\$105,300,000) which was financed by current liabilities of HK\$73,003,000 (31st March 2002: HK\$55,667,000), long term liabilities of HK\$61,175,000 (31st March 2002: HK\$4,708,000), shareholder's equity of HK\$84,019,000 (31st March 2002: HK\$44,925,000) and the minority interest of HK\$41,823,000 (31 March 2002: HK\$nil). The current ratio was approximately 0.87 (31 March 2002: 0.52) and the gearing ratio of the Group was approximately 128% (31st March 2002: 83.7%). The ratio has been calculated based on the total borrowing to the total shareholders' equity of the Group. The increase in the gearing ratio is because the Company issued bonds with an aggregate principal amount of HK\$61,175,000 as a partial consideration to acquire 51% interest in Value Brilliant.

As at 30th September 2002, the Group had pledged certain of its plant and equipment with an aggregate net book value of HK\$47,222,000 (31st March 2002: HK\$50,000,000) to secure the credit facilities granted to the Group.

## CAPITAL STRUCTURE

During the period, the Company issued 1,225,000,000 shares ("Consideration Shares") at a price of HK\$0.037 each as a partial consideration to acquire 51% interest in Value Brilliant. The Consideration Shares represent approximately 29.93% of the enlarged issued share capital of the company.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30th September 2002, the interests of director in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of Hong Kong's Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") was as follows:

<b>Name of director</b>	<b>Number of shares held</b>
Mr. Wong Kwong Miu	1,539,033,214 <i>(Note)</i>

*Note:* Mr. Wong Kwong Miu beneficially owns and controls Dynamic Sunrise Limited which in turn controls more than one-third of the voting rights of Unichina Enterprises Limited. Accordingly, Mr. Wong Kwong Miu is deemed to be interested in the shares held by Unichina.

Save as disclosed above, none of the directors, nor any of their associates had any interest as at 30th September 2002 in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

## SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 14th January 2002, the share option scheme adopted by the Company on 30th September 1997 (the "Old Scheme") was terminated and a new share option scheme (the "New Scheme") was adopted. Upon termination of the Old Scheme, no further share options can be granted thereunder but in all other respects, the provisions of the Old Scheme shall remain in force and all share options granted prior to such termination continued to be valid and exercisable in accordance therewith.

Details of the movements in the Company's share options granted to directors of the Company and employee of the Group under the Old Scheme during the period are as follows:

Directors	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options		
				Outstanding at 1.4.2002	Cancelled during the period	Outstanding at 30.9.2002
Lam Tak Shing	29th February, 2000	29th February, 2000 – 28th February, 2010	0.163	29,030,676	29,030,676	-
	27th April, 2000	27th April, 2000 – 26th April, 2010	0.122	5,000,000	5,000,000	-
Employees	29th February, 2000	29th February, 2000 – 28th February, 2010	0.163	11,042	11,042	-
	27th April, 2000	27th April, 2000 – 26th April, 2010	0.122	9,000,000	9,000,000	-
	4th November, 2000	4th November, 2000 – 3rd November, 2010	0.100	19,200,000	19,200,000	-
				62,241,718	62,241,718	-

All the formerly outstanding share options for a total of 62,241,718 shares were surrendered at a price of HK\$0.01 per share during the unconditional cash offer made by Unichina and the share options were cancelled in April 2002.

No options have been granted by the Company under the New Scheme since its adoption.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate. Similarly, none of the spouses or children under the age of 18 of the directors had any rights to subscribe for securities of the Company or had exercised any such rights during the year.

## SUBSTANTIAL SHAREHOLDERS

As at 30th September 2002, the following interest of 10% or more of the issued share capital of the Company was recorded in the register of interests required to be kept by the Company pursuant to section 16 (1) of the SDI Ordinance:

Name of shareholders	Number of shares held
Unichina Enterprises Limited ("Unichina")	1,539,033,214
Dynamic Sunrise Limited ("Dynamic Sunrise") (Note 1)	1,539,033,214
Mr. Wong Kwong Miu (Note 2)	1,539,033,214
Ms. Fu Bo	816,668,000

### Notes:

- Dynamic Sunrise controls more than one-third of the voting rights of Unichina and is deemed to be interested in the shares held by Unichina.
- Mr. Wong Kwong Miu beneficially owns and controls Dynamic Sunrise.

Save as disclosed above, the Company had not been notified of any other interests as at 30th September 2002 representing 10% or more of the issued share capital of the Company.

## STAFF EMPLOYMENT

As at 30th September 2002, the Group had approximately 580 employees in Hong Kong and the PRC. Remuneration packages are generally structured by reference to market terms and individual qualifications. Besides providing staff with medical benefits and mandatory provident fund, the Group also encourages continual staff development by sponsoring different types of training and further studying programs. The Company has also adopted a new share option scheme which was approved by shareholders of the Company on 14th January 2002.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 30th September 2002.

## **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonable indicate that the Company is not, or was not during the six months ended 30th September 2002 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that non-executive Directors are not appointed for a specific term but are subject to retirement by rotation in accordance with the bye-laws of the Company.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the financial statements of the Company for the six months ended 30th September 2002.

By Order of the Board  
**Wong Kwong Miu**  
*Chairman*

Hong Kong, 13th December 2002