

For personal use only

ANNUAL  
REPORT  
2016



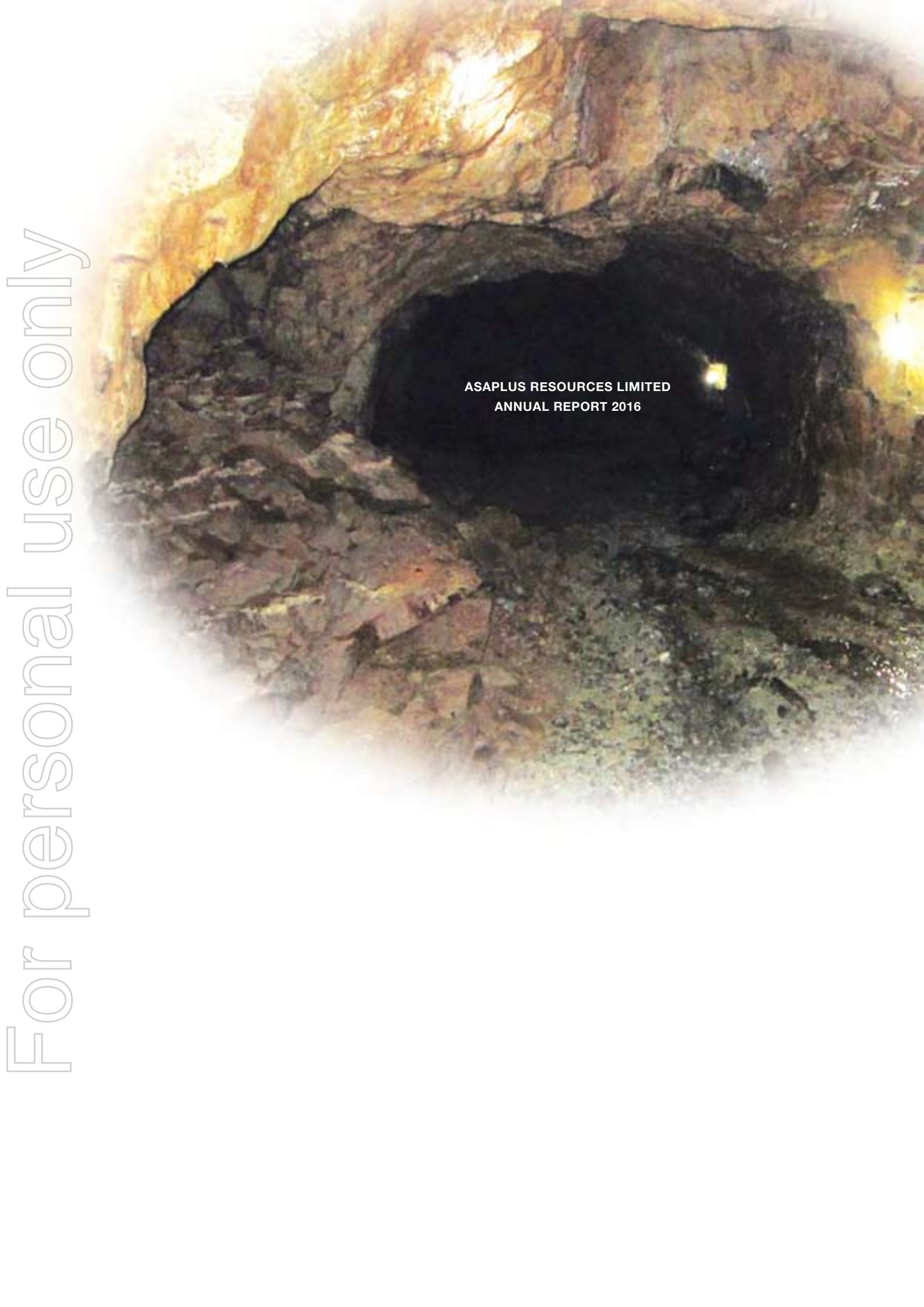
For personal use only



## CONTENTS

2	Chairman's Statement
4	Board of Directors
5	Corporate Governance
7	Directors' Report
9	Statement by Directors
10	Independent Auditor's Report
12	Statement of Financial Position
13	Consolidated Statement of Comprehensive Income
14	Consolidated Statement of Changes in Equity
15	Consolidated Statement of Cash Flows
16	Notes to the Financial Statements
54	Shareholding Analysis

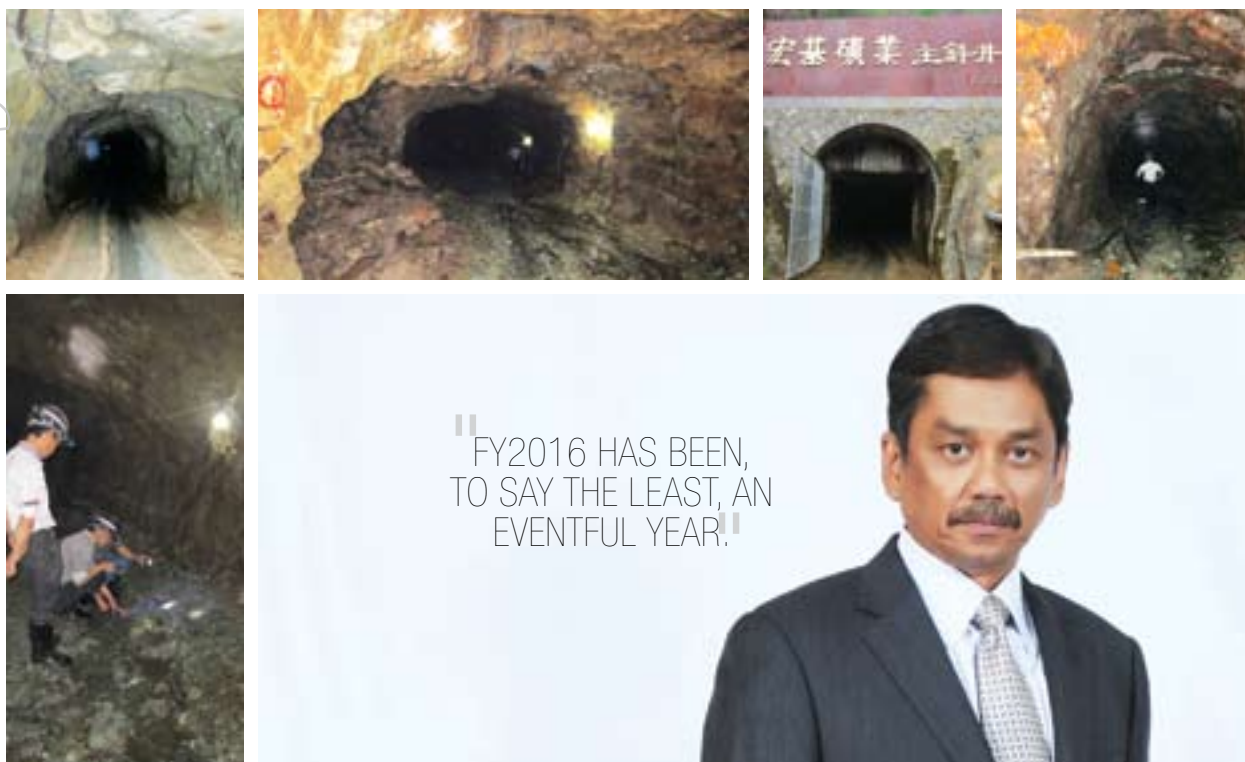
For personal use only



ASAPLUS RESOURCES LIMITED  
ANNUAL REPORT 2016



# Chairman's Statement



Dear Shareholders

I am pleased to present to you the fourth annual report of the Asaplus Resources Limited (the "Company") and its subsidiaries (collectively, the "Group"). This annual report covers the Group's activities and financial report for the financial year commencing 1 April 2015 and ended 31 March 2016 ("FY2016").

### Activities During the Financial Year Under Review

FY2016 has been, to say the least, an eventful year for the Group.

Datian Hongji Mining Co., Limited ("DHM"), a subsidiary which is 80% indirectly owned the Company, acquired the mining permit to extract iron and other ore at the Beikeng Mine (the "Beikeng Permit"). The Beikeng Mine is a 0.771 km<sup>2</sup> recently disused mine which produced iron and other mineral ores. It is located in Datian County, Fujian Province in the People's Republic of China. As of the date of this statement, there is no report on the Beikeng Mine which has been prepared under the JORC Code.

After its acquisition, DHM managed to secure an extension of the Beikeng Permit and it is now valid until 4 February 2023. I am pleased to inform you that re-development works at the Beikeng Mine had progressed well. To-date, re-development works at the Beikeng Mine which DHM has completed includes:

- draining, widening and structural reinforcement to the existing work and access tunnels;
- installation of the water-pumps, electrical and ventilation systems at the work and access tunnels;
- completed refurbishment works to covert existing structures which the company had acquired under lease for use as workers' quarters and as explosives magazines; and
- constructed access road to connect the production area to public municipal roads.



It's said that a picture paints a thousand words. Therefore, I have attached in this statement photographs taken of the development works which were being carried out at the Beikeng Mine.

Concurrent to carrying out re-development works at the mine site, DHM had also been preparing submission documents to apply for a renewal of the Production Safety Permits. DHM will be able to commence commercial production at the Beikeng Mine when the renewal of the Production Safety Permit is obtained. My fellow directors and management are cautiously optimistic that, barring unforeseen circumstances, DHM can commence commercial production at the Beikeng Mine by the first quarter of 2017.

### **Other Tenement of the Group**

In addition to the Beikeng Mine, the Group also has one other tenement, namely the Silverstone Project, a 4.83 km<sup>2</sup> tenement also located in Datian County, Fujian Province in the People's Republic of China. The current resource estimate of the Silverstone Project is 3,480,700 tonnes at an average grade of 41.83% in the Inferred Category.

Save for the Beikeng Mine, during FY2016, the Group did not acquire nor dispose of any mining or prospecting tenement.

Information in this Annual Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Peebles who is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Peebles is employed by Darlington Geological Services Pty Ltd. Mr Peebles has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peebles' report is set out in the Company's announcement on 13 May 2013.

### **Share Buy-back**

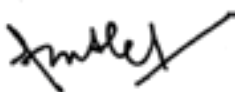
In FY2016, the Company did not carry out any buy-back of its shares. As of the date of this Annual Report, the Company has not sought shareholders' approval for the buy-back of its shares and does not intend to do so at the forthcoming annual general meeting.

### **Moving Forward**

Moving forward, the Group, through DHM, will focus on bringing the Beikeng Mine to full commercial production. I anticipate that the Company will need to carry out a fund-raising exercise to raise funds for DHM's additional working capital requirements. After commercial production commences and its sales channel is established, DHM will assess the feasibility of constructing an on-site beneficiation plant.

The Company's fourth annual general meeting will be held at the time, date and place set out in the notice of annual general meeting sent to you earlier. I look seeing you there.

Yours faithfully



Ir Che Mohamed Hussein Bin Mohamed Shariff  
Chairman

## Board of Directors

---



Ir Che Mohamed Hussein Bin Mohamed Shariff

### **IR CHE MOHAMED HUSSEIN BIN MOHAMED SHARIFF**

Independent Director, Non-Executive Chairman

Hussein is a professional engineer educated in the United Kingdom. He studied at Loughborough University of Technology under a Malaysian government scholarship, and graduated with a BSc (Hons) degree in Civil Engineering. He is currently a member of both the Institute of Engineers Malaysia and the Board of Engineers Malaysia. Hussein has a distinguished career in public service having served in various positions in the state economic development corporation of a Malaysian state where his recent postings have been senior positions at the highest levels of management. He is currently the chief executive officer of the state-owned property development company. Therefore, he brings with him more than 30 years' experience in property development, construction and technical management, including managing a state-owned large-scale granite quarry.

The Board elected to appoint Hussein as Chairman because his experience and qualification give him an effective combination of technical, engineering, management and leadership skills to discharge his duties as Chairman.



Dominic LIM Kian Gam

### **DOMINIC LIM KIAN GAM**

Independent Non-executive Director

Dominic is the Head of Loan Syndication and Distribution at Oversea-Chinese Banking Corporation Limited ("OCBC Bank"). Dominic has been in the banking industry for more than 20 years and has extensive knowledge of banking matters in the Asia- Pacific region. He has extensive experience in a wide array of lending products, ranging from structured financing and debt securitization to project and leveraged financing, and encompassing all industries and sectors. Prior to joining OCBC Bank, he was with several international investment and commercial banks.

Dominic is a business graduate from the National University of Singapore and has a MSc degree in Finance from Zicklin School of Business, Baruch College, a constituent college of City University of New York. Dominic is a member of Beta Gamma Sigma Society, an international honour society for business students, graduates and scholars founded in 1913 at the University of Wisconsin in the United States.



LAU Eng Foo (Andy)

### **LAU ENG FOO (ANDY)**

Managing Director

Andy the founder of and driving force behind of a successful group of companies in Malaysia specialising in civil engineering construction, earthwork, and granite and iron ore extraction contracting. He has been involved in these lines of business since the early 1970's. Andy has relinquished a major portion of the day-to-day management role in the Malaysian companies to focus on his role as the Company's Executive Director to spearhead the Company's business in China.

As Managing Director, Andy provides the entrepreneurial drive and strategic direction for the Company.

The ASX Corporate Governance Council Principles and Recommendations Third Edition (the “Principles and Recommendations”) currently applies to the Company for the financial year under review as set out in this Annual Report.

The primary responsibility of the Board is to represent and advance Shareholders’ interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- (a) Protection and enhancement of Shareholder value;
- (b) Formulation, review and approval of the objectives and strategic direction of the Company;
- (c) Approving all significant business transactions, including acquisitions, divestments and capital expenditure;
- (d) Monitoring the financial performance of the Company by reviewing and approving budgets and results;
- (e) Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (f) Identification of significant business risks and ensuring that such risks are adequately managed;
- (g) Reviewing the performance and remuneration of executive directors and key staff;
- (h) Establishment and maintenance of appropriate ethical standards; and
- (i) Evaluating and adopting, as appropriate, ASX Corporate Governance Council’s Corporate Governance

As of the date of this annual report, the Board comprise of two independent non-executive directors, namely Che Mohamed Hussein Bin Mohamed Shariff and Dominic Lim Kian Gam, and one executive director, Lau Eng Foo (Andy). Che Mohamed Hussein Bin Mohamed Shariff acts as chair of the Board.

At present, the Board does not have a fixed number of meetings it will hold per annum. The Board meets as frequently as may be required to deal with matters arising. A record of the directors’ attendance at Board meetings (either in person or by telecommunication means) held during the period under review is set out below:

Director	Number of Meetings	
	Held during the financial year	Attended
Che Mohamed Hussein Bin Mohamed Shariff	7	7
Dominic Lim Kian Gam	7	7
Lau Eng Foo (Andy)	7	7

For personal use only



## Corporate Governance

---

As the Company is listed on ASX, it is subject to the continuous disclosure obligations under the ASX Listing Rules, the Australian Corporations Act and the Singapore Companies Act. Subject to the exceptions set out in:

- the Asaplus Corporate Governance Statement 2016 (the "AJY CG Statement 2016") which includes the Company's "if not, why not" report; and
- Key to disclosures – Corporate Governance Principles and Recommendations in the form set out in Appendix 4G of the ASX Listing Rules (the "AJY Appendix 4G 2016"),

the Company has adopted the Principles and Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. Full copies of the Company's corporate governance policies, the AJY CG Statement 2016 and the AJY Appendix 4G 2016 are available for downloads at the Company's public documents repository at the following URL:

<http://mybiztrack.com/owncloud/index.php/s/i7ZFbwZhpyOwEMK>

As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration.





The Directors submit to the members the audited consolidated financial statements of the Group and the statement of financial position of the Group and the Company for the financial year ended 31 March 2016.

## 1 OPINION OF THE DIRECTORS

In the opinion of the Directors,

- i) The financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company and the Group for the financial year ended on that date;
- ii) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2 DIRECTORS OF THE COMPANY

The Directors of the Company in office at the date of this report are:

Name	Particulars
Ir Che Mohamed Hussein Bin Mohamed Shariff	(Independent Non-executive Director, Chairman)
LAU Eng Foo (Andy)	(Executive Director)
Dominic LIM Kian Gam	(Independent Non-executive Director)

## 3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, the Company was not a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed in this report.

## 4 DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year were interested in the shares of the Company as follows:

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 01.04.15	At 31.03.2016	At 01.04.15	At 31.03.2016
LAU Eng Foo (Andy)	-	-	39,000,000	39,000,000

## 5 SHARE OPTIONS

During the financial year, no options were granted to take up unissued shares of the Company and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under option.



# Directors' Report

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

---

## 6 DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the date of incorporation, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

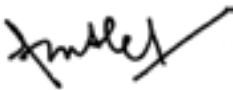
## 7 AUDITOR

MGI SINGAPORE PAC have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



LAU Eng Foo (Andy)  
Executive Director



Ir Che Mohamed Hussein Bin Mohamed Shariff  
Independent Non-executive Chairman

Dated: 15 June 2016



# Statement By Directors

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

In the opinion of the directors:

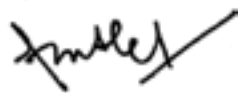
- (a) the accompanying financial statements set out in the following sections of the financial statements:
- Consolidated Statement of Financial Position
  - Consolidated Statement of Comprehensive Income
  - Consolidated Statement of Changes in Equity
  - Consolidated Cash Flows statement
  - Notes, comprising a summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2016 and of the results, of the business changes in equity and cash flows of the Company for the financial year then ended, on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Directors authorised these financial statements for issued on the date of this report.

On behalf of the Directors



LAU Eng Foo (Andy)  
Executive Director



Ir Che Mohamed Hussein Bin Mohamed Shariff  
Independent Non-executive Chairman

Dated: 15 June 2016

For personal use only



# Independent Auditor's Report

To The Members Of Asaplus Resources Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Asaplus Resources Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2016, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss statements and balance sheets and to maintain accountability of assets.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





# Independent Auditor's Report


To The Members Of Asaplus Resources Limited

## OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2016, and the results, changes in equity and cash flows of the Group for the financial year then ended in accordance with Singapore Financial Reporting Standards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, except for the basis of the qualified opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



MGI SINGAPORE PAC  
Chartered Accountants and  
Public Accountant of Singapore

Singapore, 15 June 2016

For personal use only



# Statement Of Financial Position

Asaplus Resources Limited And Its Subsidiaries As At 31 March 2016

		The Company		The Group	
	Note	31.3.2016	31.3.2015	31.3.2016	31.3.2015
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Amount due from subsidiaries	8	3,228,917	3,397,432	-	-
Other receivables	9	260,799	260,799	1,875,364	1,518,844
Cash and bank balances	7	44	810	216,254	984,105
		3,489,760	3,659,041	2,091,618	2,502,949
<b>Non-Current Assets</b>					
Plant and equipment	11	-	-	105,112	199,253
Exploration and evaluation assets	10	-	-	816,160	1,334,466
Goodwill	12	-	-	-	-
Investment in subsidiaries	13	10,001,719	10,001,719	-	-
Total non-current assets		10,001,719	10,001,719	921,272	1,533,719
<b>Total Assets</b>		13,491,479	13,660,760	3,012,890	4,036,668
<b>Equity</b>					
Share capital	14	14,057,100	14,057,100	14,057,100	14,057,100
Accumulated loss		(741,218)	(594,540)	(12,811,230)	(11,362,239)
Foreign currency translation reserve		-	-	981,140	1,043,130
Non-controlling interest		-	-	(246,234)	(8,394)
<b>Total Equity</b>		13,315,882	13,462,560	1,980,776	3,729,597
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Other payables	15	45,240	136,967	1,032,114	307,071
Provision for tax		-	-	-	-
Amount due to subsidiary	8	130,357	61,233	-	-
<b>Total Liabilities/current liabilities</b>		175,597	198,200	1,032,114	307,071
<b>TOTAL EQUITY AND LIABILITIES</b>		13,491,479	13,660,760	3,012,890	4,036,668

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



# Consolidated Statement Of Comprehensive Income

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

	Note	2016 \$	2015 \$
Revenue	16	-	2,540,846
Cost of sales		-	(2,396,715)
<b>Gross profit</b>		-	144,131
Other income	17	551,103	4,513
Selling and distribution expenses		-	-
Administrative expenses		(402,226)	(407,501)
Other expenses		(308,680)	(209,795)
Impairment of evaluation asset		(1,281,397)	-
Impairment of Goodwill		-	(9,988,661)
Loss before tax	18	(1,441,200)	(10,457,313)
Income tax expense	20	(7,791)	(10,684)
Loss for the financial year		(1,448,991)	(10,467,997)
Exchange differences on translation of foreign controlled entities		-	649,413
<b>Total Comprehensive loss for the financial year</b>		<b>(1,448,991)</b>	<b>(9,818,584)</b>
<b>Attributable to:</b>			
Non-controlling interests		-	(17,841)
Owners of the Company		(1,448,991)	(10,450,156)
<b>Loss Per Share (Cents)</b>			
Basic Loss Per Share	21	(0.016)	(0.12)
Diluted Loss Per Share	21	(0.016)	(0.11)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement Of Changes In Equity

Asapulus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

2016	Share capital	Accumulated losses attributable to Owners of the Company	Losses attributable to Non-Controlling Interest	Foreign currency translation reserve	Non-Controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
At 1.04.2015	14,057,100	(11,362,239)	17,841	1,043,130	(8,394)	3,747,438
Loss for the year	-	(1,448,991)	(17,841)	(61,990)	-	(1,528,822)
Other comprehensive income for the year	-	-	-	-	-	-
Non-Controlling interest (net)	-	-	-	-	(237,840)	(237,840)
<b>Balance at 31.03.2016</b>	14,057,100	(12,811,230)	-	981,140	(246,234)	1,980,776

2015	Share capital	Accumulated losses attributable to Owners of the Company	Losses attributable to Non-Controlling Interest	Foreign currency translation reserve	Non-Controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
At 1.04.2014	14,057,100	(912,083)	393,717	-	-	13,538,734
Loss for the year	-	(10,450,156)	17,841	-	-	(10,432,315)
Other comprehensive income for the year	-	-	-	649,413	-	649,413
Non-Controlling interest	-	-	-	-	(8,394)	(8,394)
<b>Balance at 31.03.2015</b>	14,057,100	(11,362,239)	17,841	1,043,130	(8,394)	3,747,438

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.





# Consolidated Statement Of Cash Flows

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

	Note	2016 \$	2015 \$
<b>Cash flow from operating activities</b>			
Loss before taxation		(1,441,200)	(10,457,313)
<b>Adjustments for:</b>			
Depreciation of plant and equipment	11	51,204	67,275
Impairment of exploration and evaluation asset	10	1,281,397	
Impairment of Goodwill	12	-	9,988,661
Foreign translation differences		(211,744)	609
Operating cash flow before working capital changes		(320,343)	208,429
(Increase)/Decrease in other receivables		(356,520)	20,594
Increase in other payables		725,043	42,704
Cash from operations		48,180	271,728
Tax paid		(10,003)	(9,672)
Net cash generated from/(used in) operating activities		(38,177)	262,055
<b>Cash flows from investing activities</b>			
Exploration expenditure		(763,091)	(383,237)
Purchase of plant and equipment	11	3,105	-
Loss on disposal of equipment		(46,042)	
Net cash (used in) investing activities		(806,028)	(383,237)
Net (decrease) in cash and bank balances		(767,851)	(121,182)
Cash and bank balances at the beginning of the year		984,105	1,105,287
Cash and bank balances at the end of the year	7	216,254	984,105

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

---

## 1. CORPORATE INFORMATION

The financial statements of the Company and of the Group for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

Asaplus Resources Limited is the Group's ultimate parent company. The Company was incorporated under the laws of Singapore as a public company limited by shares on 24 April 2012 and was registered as a foreign company in Australia on 22 June 2012.

The Company was listed on the Australian Securities Exchange on 16 November 2012. The registered office of the Company in Singapore is located at 21 Bukit Batok Crescent, #15-74 WCEGA Tower, Singapore 658065.

The principal activities of the Company are the exploration, mining and marketing of iron ore.

The Company had remained dormant since it was incorporated on 24 April 2012 till the date of this report.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 (a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and are prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Australian Dollars which is the functional currency of the Company and the presentation currency for the financial statements.

### (b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company and the group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of the Company and the group.



**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Standards issued but not yet effective**

The Company adopted the following standards and interpretations that have been issued.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Disclosure Initiatives	1 January 2016
Amendments to FRS 16 and 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 19 Defined Benefits Plans: Employee Contributions	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 110 and 28 Sale or contribution of Assets between Investor and its Associate or Joint Venture	1 January 2018
Amendments to FRS 111 Accounting for Acquisitions of Interest in Joint Operations	1 January 2018
FRS 127 Disclosure Initiative Joint Arrangements	1 January 2016
FRS 114 Regulatory Deferred Accounts	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
Improvements to FRSs (November 2014)	1 January 2016

The directors expect that the adoption of these standards and interpretations above will have no material impact on the financial statements in the period of initial application.

**2.2 Financial assets**

The Company and the group assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

**Financial Assets**

Financial assets are recognised on the balance sheet when, and only when, the Company and the group becomes a party to the contractual provisions of the financial instrument. The Company and the group determines the classifications of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SUMMARY ACCOUNTING POLICIES (*cont'd*) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.2 Financial assets (*cont'd*)

#### Subsequent measurement

The subsequent measurement of financial assets depend on their classification as follows:

#### Loans and receivables

Nonderivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognized or impaired, and through the amortisation process.

#### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the profit and loss.

#### Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

### 2.3 Impairment of financial assets

The Company and the group assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### (a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company and the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company and the group determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income statement.





## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.3 Impairment of financial assets (*cont'd*)

#### (a) Financial assets carried at amortised cost (*cont'd*)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Company and the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### Derecognition of financial assets

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit and loss.

#### (b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company and the group becomes a party to the contractual provisions of the financial instrument. The Company and the group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

##### Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Impairment of financial assets (cont'd)

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company and the group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### (a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company and the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company and the group determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Company and the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### (b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Impairment of non-financial assets (*cont'd*)

Environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

The Company and the group assess at each reporting date whether there is indication that an asset has been impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash inflows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company and the group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for the Company's and the group's cash generating units to which the individual assets are allocated. For longer periods, a long-term growth forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit and loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income up to the amount of any previous revaluation.

# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group.

#### Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

#### Goodwill

Goodwill arising on an acquisition of a subsidiary is subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those of other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

An impairment loss is recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below the higher of its individual fair value less cost to sell, or value-in-use, if determinable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Goodwill (*cont'd*)

An impairment loss on goodwill is not reversed in subsequent periods whilst an impairment loss on other assets is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill is not reversed in a subsequent period.

#### Exploration and evaluation assets

Exploration and evaluation assets relate to Exploration Licence in relation to the Project acquired and exploration and evaluation expenditures capitalized in the Project that is at the exploration stage.

Exploration and evaluation assets are initially recognised at cost. Subsequent to initial recognition, they are stated at cost less any accumulated impairment losses.

Exploration and evaluation assets comprises costs which are directly attributable to acquisition, surveying, geological, geochemical and geophysical, exploratory drilling; land maintenance, sampling, and assessing technical feasibility and commercial viability in relation to the Silverstone Project.

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with FRS "Impairment of Assets" whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- (a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be recovered;
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- (d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

For personal use only





# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilizing the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

	Years
Computer	3
Office equipment	3
Furniture and fittings	5
Motor vehicles	4

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial period, depreciation is provided from the month of acquisition till the month before disposal. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods and useful lives are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

#### Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### Available-for-sale financial assets (cont'd)

The amount of the cumulative loss that is removed from equity and recognised in the profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss.

Impairment losses recognised in the profit or loss for equity investments classified as available-for-sale are not subsequently reversed through the profit or loss.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events

- significant financial difficulty or probable bankruptcy of the investee;
- a breach of contract;
- changes in the political or legal environment affecting the investee's business;
- changes in the investee's condition evidenced by changes in factors such as liquidity, credit ratings, profitability, cash flows, debt/equity ratio and level of dividend payments; and
- whether there has been a significant or prolonged decline in the fair value below cost.

#### Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

#### Cash and cash equivalents

Cash and cash equivalents include cash at bank and balances on hand, demand deposits with banks and highly liquid investments with original maturities of 3 months or less which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

#### Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured regard less of when the payment is made. Revenue is measured at fair value of consideration received or receivable and represent amounts receivable taking into account contractually, defined terms of payment and excluding taxes and duty.

The Company remained dormant during the financial year and till date of the financial report.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- i) Financial liabilities at fair value through profit or loss  
Financial liabilities at fair value through profit or loss include financial liabilities held for trading.\* Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

- ii) Financial liabilities at amortised cost  
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### Other payables

Other payables are initially measured at fair value, and subsequently measured at amortised costs, using the effective interest method.

#### Provisions

Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and the group ; or
- (b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.





## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Income tax

##### Current income tax

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Company and the group operates and generates taxable income.

Current income taxes are recognised in the profit or loss except to the extent that the tax related to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not act fair value through profit or loss, directly attributable transaction costs.

##### Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### Deferred tax (cont'd)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in the transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred income tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Employee benefits

##### Defined contribution plan

Retirement benefits to employees are provided through defined contribution plans, as provided by the laws of the countries in which it has operations. The Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"). Such contribution are charged as an expense as the contributions are paid or become payable.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

#### Related parties

For the purpose of these financial statements, a party is considered to be related to the Group if:

- (a) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (b) the Group and the party are subject to common control;
- (c) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (d) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (e) the party is a close family member of a party referred to in (a) or is an entity under the control, joint control or significant influence of such individuals; or
- (f) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Impairment of non-financial assets

The carrying amounts of the Company's and the group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.



## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Impairment of non-financial assets (*cont'd*)

With the exception of goodwill, an impairment loss is

- reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

#### Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Australian Dollars, which is also the functional currency of the Company.

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

For personal use only





# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 2. SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### 2.4 Summary of significant accounting policies (*cont'd*)

#### Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period;
- ii) Income and expenses are translated at average exchange rates; and
- iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of reporting period.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with FRSs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### 3.1 Judgments made in applying accounting policies

There was no material judgement made by management in the process of applying the Company accounting policies that have the most significant effect on the amounts recognized in the financial statements.

### 3.2 key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation, uncertainty at the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year 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 affect both current and future periods.

### Critical judgements in applying the company's and groups accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year, are discussed below.

#### i) Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

#### ii) Significant accounting estimates and judgments

The preparation of the financial statements in conformity with SFRS requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

#### iii) Carrying value of non-current assets

Non-current assets are carried at cost less accumulated depreciation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (*cont'd*)

### iv) Exploration and evaluation expenditure

The Group policy on capitalization of all future expenditure relating to exploration and evaluation of the Tenement located in Beikeng Mine.

The Group has assessed that the capitalized expenditure will be recoverable through the project's successful development.

### v) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

The critical accounting estimates and assumptions used or areas involving a high degree of judgment are described below.

## 5. FINANCIAL INSTRUMENT, FINANCIAL RISKS AND CAPITAL RISKS ARRANGEMENT - RISK MANAGEMENT

### (a) Financial risk management objective and policies

The Company's and the group's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks). The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Management is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Company's and the groups management then establishes the detailed policies such as risk identification and measurement, exposure limits, in accordance with the objectives and underlying principles set.

There has been no change to the Company's and the groups exposure to these financial risks or the manner in which it manages and measures the risk.

### Credit Risks

Credit risk refers to the risk that the counterparty will default on their obligations to pay the amounts owing to the Company and the group, resulting in a loss to the Company and the group. The Company and the group seeks to minimise the potential adverse effects on its performance by adopting stringent credit policy in extending credit terms to customers and in the monitoring its credit risk.

The Company's and the group's credit policy states clearly the guidelines on extending credit terms to customers. These include assessing and evaluating each customer's credit worthiness. In certain instances, the Company would also request for letters of credits or advance payments from its customers in order to mitigate its exposures to credit risk.



## 5. FINANCIAL INSTRUMENT, FINANCIAL RISKS AND CAPITAL RISKS ARRANGEMENT - RISK MANAGEMENT (cont'd)

### Credit Risks (cont'd)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk.

### Market risks

The Company and the group is exposed to any market risks.

### Liquidity risk

The Company and the group ensures availability of funds through funding from it's holding company. Due to the dynamic nature of the underlying businesses, the Company's financial control maintains flexibility in funding by maintaining availability under sufficient balance of cash.

### Foreign currency risk

- The Company and the group is exposed to fluctuations in Australian dollars
- The management minimises the risk with constant monitoring of these risks.

### (b) Capital risk management policies and objectives

The Company's and the group's objective when managing capital are to safeguard the Company's and the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company and the group's may return capital to shareholders, issue new shares, and sell assets to reduce debt, or adjust the amount of dividends paid to shareholders.

## 6. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party in making financial and operating decisions.

- (a) In addition to the information disclosed elsewhere in the financial statements, related party transactions between the company and related parties during the financial year were as follows:

Compensation of key management personnel

	2016	2015
	\$	\$
Director of the Company		
Salaries and other short-term employee benefits	27,726	24,712

There are no other key management personnel other than Directors of the Company and it's subsidiaries.

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 7. CASH AND BANK BALANCES

	The Company		The Group	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash and cash at bank	44	810	216,254	984,105

Short-term deposits have an average maturity of 3 months from the end of the financial period with the weighted average effective interest rate of 0.74%.

Cash and bank balances are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australian Dollar	44	810	44	1,406
Chinese Renminbi	-	-	215,761	976,099
Hong Kong Dollar	-	-	449	6,406
Singapore Dollar	-	-	-	194
	44	810	216,254	984,105

The Chinese Renminbi is not freely convertible into other foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.





## Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

### 8. AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from/to subsidiaries are non-trade in nature, interest-free, unsecured, repayable only where funds permit and denominated in Australian dollars.

### 9. OTHER RECEIVABLES

	The Company		The Group	
	2016	2015	2016	2015
	\$	\$	\$	\$
Other receivables-third parties	248,885	248,885	1,767,157	375,911
Prepayment – related parties	-	-	-	-
Prepayment – third parties	11,914	11,914	108,207	1,142,934
	260,799	260,799	1,875,364	1,518,845

Other receivables are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australian Dollar	248,885	248,885	248,885	248,885
Chinese Renminbi	11,914	11,914	1,626,480	1,269,960
	260,799	260,799	1,875,365	1,518,845

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 10. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the cost of obtained Exploration Licence in relation to the Beikeng Mine and related cost of search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource in the Beikeng Mine.

	2016	2015
	\$	\$
<b>The Group</b>		
Total exploration and evaluation assets		
Balance at beginning of the period	1,334,466	951,229
• Impairment of evaluation asset – Silverstone Project	(1,281,397)	-
• Foreign exchange differences	(53,070)	-
• Expenditure incurred in the year - Beikeng Mine	816,161	177,918
Balance at end of the period	816,160	1,334,466

As disclosed in Note 2, the carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment.

For personal use only



## Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

### 11. PLANT AND EQUIPMENT

The Group	Computer \$	Office Equipment \$	Furniture and Fittings \$	Motor vehicle \$	Total \$
<b>COST:</b>					
As at 31.03.2014	5,002	2,610	8,895	249,186	265,693
Additions	-	-	-	-	-
Currency realignment	1,045	545	1,856	51,996	55,442
As at 31.03.2015	6,047	3,155	10,751	301,182	321,135
Additions	-	-	-	3,105	3,105
Disposals	-	-	-	(123,636)	(123,636)
Currency realignment	(285)	11,033	(508)	(11,295)	(1,055)
As at 31.03.2016	5,762	14,188	10,243	169,356	199,549
<b>ACCUMULATED DEPRECIATION ON:</b>					
As at 31.03.2014	1,744	637	1,967	33,189	37,537
Depreciation for the year	1,684	879	1,792	62,919	67,274
Currency realignment	595	253	657	15,566	17,071
As at 31.03.2015	4,023	1,769	4,416	111,674	121,882
Depreciation for the year	1,626	1,636	1,990	45,952	51,204
Disposals	-	-	-	(73,439)	(73,439)
Currency realignment	(228)	(123)	(256)	(4,603)	(5,210)
As at 31.03.2016	5,421	3,282	6,150	79,584	94,437
<b>CARRYING VALUE:</b>					
As at 31.03.2016	341	10,906	4,093	89,772	105,112
As at 31.03.2015	2,032	1,386	6,334	137,511	199,253

## Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

### 12. GOODWILL

	2016 \$	2015 \$
Goodwill	-	9,988,661
Impairment during the financial year	-	(9,988,661)
	-	-

Movements in provision for impairment are as follows:-

	2016 \$	2015 \$
Balance at beginning of financial year	9,988,661	
Impairment during the financial year	-	9,988,661
Balance at end of financial year	9,988,661	9,988,661

The goodwill comprises the value of Exploration Licence to the Silverstone Project held by Datian Silverstone Mining Co., Ltd, which is a wholly-owned subsidiary within the Yong Heng Group.

As disclosed in Note 2 above, goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired.

### 13. INVESTMENT IN SUBSIDIARIES

The Company	2016 \$	2015 \$
Unquoted equity investments, at cost	10,009	10,001,7191



## Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

### 13. INVESTMENT IN SUBSIDIARIES (cont'd)

The consolidated financial statements include the financial statements of Asaplus Resources Limited and its subsidiaries listed in the following table.

Name of subsidiary	Principal activities	Country of incorporation and business	Effective equity held by the Group		Cost of investment by the Company	
			2016 %	2015 %	2016 \$	2015 \$
<b>Held by the Company</b>						
Yong Heng Investment Limited ("Yong Heng")	Investment holding	Hong Kong	100	100	10,000,291	10,000,291
Asaplus Ventures Limited ("Ventures")	Consulting services	Hong Kong	100	100	1,428	1,428
<b>Held by Ventures</b>						
Xiamen RongyaoXuhui Investment Consulting Co., Ltd	Consulting services	China	100	100	-	-
<b>Held by Yong Heng</b>						
Yinzhou Consulting Co., Ltd ("Yinzhou")	Consulting services	China	100	100	-	-
<b>Held by Yinzhou</b>						
Datian Huixiang Investments Consulting Co., Ltd ("DHIC")	Consulting services	China	100	100	-	-
<b>Held through DHIC</b>						
Datian Silverstone Mining Co., Ltd ("DSM")	Exploration, mining and marketing of iron ore	China	100	100	-	-
<b>Held by DHIC</b>						
Hong Ji Mining Co., Ltd(b)	Exploration, mining and marketing of iron ore	China	80	-	-	-
Yinzhou Mining Co., Ltd(a)	Exploration, mining and marketing of iron ore	China	-	51	-	-
					10,001,719	10,001,719

# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 13. INVESTMENT IN SUBSIDIARIES (cont'd)

During the financial year, the Company's wholly owned subsidiary Datian Huixiang Investments Consulting Co., Ltd:

- (a) disposed of its 51% interest in Datian Yinzhou Mining Co., Ltd ("Yinzhou Mining"), a company registered in China by way of deregistration of Yinzhou Mining. Yinzhou Mining was deregistered in April 2015.
- (b) registered a subsidiary company, Datian Hongji Mining Co., Ltd ("Hongji Mining"). The Group's has an 80% interest in Hongji Mining, although it is the registered holder of 90% of its share capital. The Group holds the balance 10% interest in Hongji Mining as bare custodian for a local partner, and will transfer the aforesaid 10% interest to the local partner at nil consideration at any time it is requested to do so by the local partner.

The subsidiaries of the Company are audited by MGI Singapore PAC.

## 14. SHARE CAPITAL

	The Group		The Group	
	2016 Number of shares	\$	2015 Number of shares	\$
Issued and fully paid:	88,000,000	14,057,100	88,000,000	14,057,100

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder or its proxy, attorney or representative has one vote on a show of hands.

## 15. OTHER PAYABLES

	The Company		The Group	
	2016 \$	2015 \$	2016 \$	2015 \$
Amount due to directors*	23,330	23,330	23,330	23,330
Amount due to a related party*	-	29,250	-	29,250
Other payables-third parties	-	15,555	986,874	185,659
Accruals	21,910	68,832	21,910	68,832
	45,240	136,967	1,032,114	307,071

\*Amounts are non-trade in nature, unsecured, interest-free and repayable on demand.





# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 15. OTHER PAYABLES (cont'd)

Other payables are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australian Dollar	45,240	121,402	1,032,114	121,402
Chinese Renminbi	-	15,555	-	185,669
	45,240	136,967	1,032,114	307,071

## 16. REVENUE

	The Group	
	2016	2015
	\$	\$
Sale of goods	-	2,504,652
Consulting services	-	36,194
	-	2,540,846

The revenue represent the invoiced value of goods sold and consulting services provided, net of discounts and sales taxes.

## 17. OTHER INCOME

	The Group	
	2016	2015
	\$	\$
Gain on foreign exchange, net	549,651	529
Interest income	1,532	3,583
Sundry income	-	401
	551,103	4,513

## 18. LOSS BEFORE INCOME TAX

	The Group	
	2016	2015
	\$	\$
Loss before tax has been arrived at after charging:		
Bad debts-non trade	37,120	-
Employee benefit expense (note 19)	158,699	205,262
Depreciation of plant and equipment (note 11)	51,204	67,274
Loss on deregistration of subsidiary	10,557	-

# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 19. EMPLOYEE BENEFITS

	The Group	
	2016 \$	2015 \$
Employee benefit expense (including key management personnel)		
Salaries and bonus	134,294	179,606
Other benefits	24,405	25,656
	158,699	205,262

## 20. INCOME TAX EXPENSE

	The Group	
	2016 \$	2015 \$
Current year's tax	-	-
Prior year's tax	7,791	10,684
Current tax for the financial period	7,791	10,684

Provision for enterprise income tax of the subsidiaries operating in the PRC is made in accordance with the Income Tax Law of the PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

Taxation has been provided at the appropriate tax rates prevailing in Singapore, Hong Kong and the PRC in which the Group operates on the estimated assessable profits for the financial year. These rates generally range from 16.50% to 25% for the reporting year.

The reconciliation of income tax expense applicable to the loss before income tax at applicable income tax rates to the income tax expense for the reporting year is as follows:

	The Group	
	2016 \$	2015 \$
Loss before income tax	(1,441,200)	(10,457,313)
Tax at applicable tax rates	(354,532)	(2,586,372)
Prior year's underprovision of tax	7,791	-
Tax effect of non-deductible expenses	354,532	2,503,014
Deferred tax asset not recognised	-	94,042
Tax for the financial period	7,791	10,684

No deferred tax has been provided, as the Group did not have any significant temporary differences which gave rise to a deferred tax asset or liability at the reporting date.



## 21. LOSS PER SHARE

### The Group

The loss per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares on issue of shares during the financial year.

The following table reflects the profit or loss and share data used in the computation of basic and diluted loss per share from continuing operations for the financial year ended 31 March.

	The Group	
	2016	2015
	\$	\$
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	88,000,000	88,000,000
Effect of dilutive potential ordinary shares:		
Share options	-	3,000,000
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	88,000,000	91,000,000

Loss figures are calculated as follows:

	The Group	
	2016	2015
	\$	\$
Loss for the purpose of calculating basic and diluted loss per share	(1,448,991)	(10,450,156)

As at the date of the financial statement, none of the options were exercised during the financial year.

## 22. DIVIDEND

During the current financial year, no dividend was proposed declared or paid.

## 23. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to AUD equivalent) for the translation of foreign currency balances at the statement of financial position date are as follows:

	The Group	
	2016	2015
	\$	\$
Chinese Renminbi	0.2020	0.2120
Hong Kong Dollar	0.1682	0.1677
Singapore Dollar	-	0.9461

For personal use only



# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 24. AUDITORS' REMUNERATION

	The Group	
	2016	2015
	\$	\$
Audit services	24,000	24,000

## 21. RELATED PARTY TRANSACTIONS

The Group has entered into a related party transaction with an entity in which a director of the Company's subsidiary has an interest in. The following amount is the transaction with the related party based upon commercial arm's length terms and conditions:

	The Group	
	2016	2015
	\$	\$
Business process outsourcing fee paid to a company in which a director of the Company's subsidiary has interest	-	43,824

The above transaction between related parties is on normal commercial terms.

Save as disclosed herein, the Group has no other related party transaction with its Directors, key management, or with entities which its Directors and/or key management have significant financial interest.

## 26. SEGMENT REPORTING

The Group identifies its operating segments based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major products and services. The Group has identified the following reportable segments:

- Mining - exploration and mining of iron ore.
- Trading and consulting service - trading of copper strips and providing consulting services.



## Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

### 26. SEGMENT REPORTING (cont'd)

(a) Segment results, assets and liabilities

2016	Mining	Trading and consulting service	Others	Total
	\$	\$	\$	\$
Revenue				
From external customers	-	-	-	-
From other segments	-	-	-	-
Segment revenues	-	-	-	-
Effect on Segment operations- foreign currency translation profit/(loss)	410,401	139,250	-	549,651
Segment other operating (loss)/profit before tax	(1,118,641)	(177,779)	(144,780)	(1,441,200)
Segment assets	1,230,733	8,514,878	16,041,808	25,870,419
Segment liabilities	1,743,234	3,640,205	2,732,071	8,115,510

2015	Mining	Trading and consulting service	Others	Total
	\$	\$	\$	\$
Revenue				
From external customers	-	2,540,846	-	2,540,846
From other segments	-	2,540,846	-	2,540,846
Segment revenues	-	2,540,846	-	2,540,846
Segment operating (loss)/profit before tax	(10,260,163)	(75,518)	(121,632)	(10,457,313)
Segment assets	1,585,449	14,538,958	6,211,269	22,335,676
Segment liabilities	1,896,866	676,881	2,754,673	5,328,420

\*Others relate to the corporate activities of the Company as well as the other operating segments that are not reportable.

# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 26. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment profit or loss, assets and liabilities to its consolidated financial statement:

### (Loss) before taxation

	2016 \$	2015 \$
Reportable segments loss before taxation	(1,441,200)	(10,457,313)
Unallocated income	-	-
	(1,441,200)	(10,457,313)

### Assets

	2016 \$	2015 \$
Segment assets	24,870,419	22,335,676
Elimination of inter-segment assets	(21,576,132)	(15,010,011)
Consolidated assets	3,294,287	7,325,665

### Liabilities

	2016 \$	2015 \$
Segment liabilities	8,115,510	5,328,420
Elimination of inter-segment liabilities	(7,083,397)	(5,021,350)
Consolidated liabilities	1,032,113	3,070,070



For personal use only



**27. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (cont'd)****KMP Shareholdings**

The number of ordinary shares in Asaplus Resources Limited held by each KMP of the Group during the financial year is as follows:

The Group	Balance as at 01.04.2015	Disposed during the year	Acquired during the year	Balance as at 31.03.2016
IrChe Mohamed Hussein <sup>1</sup>	-	-	-	-
LAU Eng Foo (Andy) <sup>2</sup>	39,000,000	-	-	39,000,000
Dominic Lim Kian Gam	-	-	-	-
Hong Xusheng <sup>2</sup>	39,000,000	-	-	39,000,000

Note 1: An adult and financially independent son of IrChe Mohamed Hussein, namely Mr Mohamed LyliaAnwar, owns 880,000 Shares for his own benefit. IrChe Mohamed Hussein does not have any interest, pecuniary or otherwise, in these shares held by Mr Mohamed lylia Anwar. Mr Mohamed Lylia Anwar has entered into an escrow arrangement to restrict dealings in these 880,000 Shares owned by him for a period of two years from Quotation Date.

Note 2: LAU Eng Foo (Andy) has a deemed interest in the 39,000,000 Shares held by Asaplus International Limited by virtue of his 37.5% shareholding in Asaplus International Limited. The other shareholders of Asaplus International Limited are Mr HONG Xusheng (25%) and Madam TAN WilLian (37.5%). LAU Eng Foo (Andy) is also a director of Asaplus International Limited, the other being Mr HONG Xusheng.

**KMP's Contractual Benefits**

The Company has allocated 3,000,000 new shares to be issued to the following key personnel, if and only if a mining permit to commence commercial iron ore production at the Silverstone Project is granted to Datian Silverstone Mining Co., Ltd on or before 29 July 2015.

	No. of Performance Shares
LAU Eng Foo (Andy)	1,200,000
Hong Xusheng	450,000
Loy Wei Choo, Joseph	350,000
	2,000,000
To other employees at directors' discretion	1,000,000
	3,000,000

**Other KMP Transactions**

For details of other transactions with KMP, refer to note 21.

There have been no loans to KMP.

# Notes To The Financial Statements

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## 28. CONTINGENCIES

There are not contingent liabilities as at the date of these financial statements.

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and the Group are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from cash and cash equivalents and other receivables. For other receivables, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Cash, cash equivalents and term deposits are held with reputable financial institutions.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

### Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company and the Group manage liquidity risk by monitoring forecast cash flows.



## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from fixed deposits with average maturity within 3 months.

The Group manages its interest rate risk by continuously monitoring available interest rates while maintaining an overriding position of security whereby the majority of term deposits are held with reputable financial institutions.

### Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is not exposed to any significant foreign currency risk because the Group has not commenced trade activity since the date of incorporation. The main operation for the Group is exploration activity relating to the Silverstone Project in China which is not exposed any significant foreign currency risk.

### Market price risk

Given that the Group does not have any available-for-sale financial assets, the Group is not exposed to any significant market price risk.

## 30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern;
- to support the Group's stability and growth;
- to provide capital for the purpose of strengthening the Group's risk management capability; and
- to provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency. The Group does not have any borrowings as at the financial year end.

The Group currently does not adopt any formal dividend policy.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Group, is reasonable.

For personal use only



# Shareholding Analysis

Asaplus Resources Limited And Its Subsidiaries For The Financial Year Ended 31 March 2016

## NUMBER OF SECURITY HOLDERS AND SECURITIES ON ISSUE

As of 25 June 2015, the Company has issued 88,000,000 CHESSE Depository Interests (CDIs) over 88,000,000 fully paid ordinary shares in the Company's share capital held by 411 CDI-holders.

Prior to and as of the commencement of FY2016, as incentive for key management personnel, the Company had agreed to grant and issue 3,000,000 new Shares to be credited as being fully paid (the "Performance Shares") to certain key personnel upon and only upon attainment of a mining permit to commence commercial iron ore production at the Silverstone Project is granted (the "Performance Milestone"). Under the terms of the agreement to issue the Performance Shares, if the Performance Shares are not issued on or before 29 July 2015, no Performance Share may be issued. As the Performance Milestone was not attained on or before 29 July 2015, the Performance Shares will no longer be issued.

There is no other class of shares or securities issued by the Company.

### Voting Rights

Under the Company's constitution, a CDI-holder may either:

- give CDN voting instructions in relation to the number of CDIs he or she holds; or
- requests CDN to appoint him or her or another person he or she nominates as CDN's proxy to attend the general meeting as CDN's proxy in relation to the number of CDIs he or she holds.

At a general meeting, on a show of hands, a CDI holder present in person or by proxy has one vote and, upon a poll, each CDI shall have one vote.

### Distribution of CDI-holders

The distribution of CDI-holders as of 30 May 2013 are as follows:

Holding	Number of Holders	%	Number of Shares	%
1 – 1,000 CDIs	1	0.24	1	0.00
1,001 – 5,000 CDIs	1	0.24	4,000	0.00
5,001 – 10,000 CDIs	221	53.77	2,210,000	2.51
10,001 – 100,000 CDIs	137	33.33	4,219,000	4.79
100,001 CDIs and above	51	12.41	81,566,999	92.69
	411	100.00	88,000,000	100.00

**Substantial Shareholders**

Substantial Shareholders of the Company as of 3 August 2016 are as follows:

Name	Number of CDIs	
	Directly Held	Deemed Interested
Asaplus International Limited	39,000,000	
Lau Eng Foo (Andy) <sup>(1)</sup>		39,000,000
Hong Xusheng <sup>(1)</sup>		39,000,000
Tan Wil Lian <sup>(1)</sup>		39,000,000
Wang Jianrong	3,010,000	3,000,000
Boon Thua Kee	4,691,000	

<sup>(1)</sup> Deemed interested in the CDIs held by Asaplus International Limited

**Twenty Largest Shareholders**

	Name of CDI-holder	No. of CDIs	%
1.	Asaplus International Limited	39,000,000	44.32
2.	Boon Thuan Kee	4,691,000	5.33
3.	Liqin Lin	3,520,000	4.00
4.	Wang Jianrong	3,010,000	3.42
5.	Ding Poi Bor	3,000,000	3.41
6.	Sinny United Sdn Bhd	2,000,000	2.27
7.	Jiansheng Qiu	1,936,000	2.20
8.	Qun Liu	1,760,000	2.00
9.	Irene Chua Paik See	1,700,000	1.93
10.	Seong Kung Mah	1,370,000	1.56
11.	Citicorp Nominees Pty Ltd	1,040,000	1.18
12.	Zambri Bin Abd Hamid	1,000,000	1.14
	Kok Kin Ting	1,000,000	1.14
	Kok Fi John Ho	1,000,000	1.14
15.	Jiacheng Li	880,000	1.00
	Mohamed lylia Anwar Bin Che Mohamed Hussein	880,000	1.00
	Dandong Li	880,000	1.00
18.	Lu Bo	839,143	0.95
19.	Fidus Custodians Limited	785,000	0.89
20.	Too Seong Ling	730,000	0.82
		71,021,143	80.70
	Balance of Register	16,978,857	19.30
		88,000,000	100.00

**Security Holding Queries**

All queries relating to holdings of CDIs issued by the Company should be addressed to the Company's share registry at the following address:

**Link Market Services Limited**

Level 4 Central Park  
152 St Georges Terrace  
Perth WA 6000



For personal use only

**ASAPLUS RESOURCES LIMITED**

ARBN 158 717 492 ASX Code AJY

21 Bukit Batok Crescent #15-74  
WCEGA Tower  
Singapore 658065

[www.asaplusresources.com](http://www.asaplusresources.com)



For personal use only



For personal use only



**ASAPUS RESOURCES LIMITED**

21 Bukit Batok Crescent #15-74

WCEGA Tower

Singapore 658065

[www.asapusresources.com](http://www.asapusresources.com)