

13 August 2018

宏基礦業 主斜井

+755



ASAPLUS RESOURCES LIMITED

[Incorporated in Singapore]
UEN 201210180E | ARBN 158 717 492

ANNUAL REPORT 2018

for the financial year ended 31 March 2018

60 Paya Lebar Road #08-55
Paya Lebar Square
Singapore 409051
T: +65 66552730
info@asaplusresources.com

[Background photo: adit of one of the production tunnels at the Beikeng Mine]

1. Chairman's Statement



To shareholders of Asaplus Resources Limited

It gives me great pleasure as chairman of the board of directors to once again present to shareholders our company's annual report for the financial year ended 31 March 2018 (FY2018). Since our company's listing in 2011, it had faced many challenges, including economic, regulatory and operational challenges. However, with the steadfastness of its management and staff, our company has managed to weather through these challenges.

During FY2018, our company has focused on development work on the Beikeng Mine, and I am pleased to report that all necessary development works are more or less substantially completed to bring it to the final stage of development. In short, this coming financial year will see the Beikeng Mine transform from being in a development stage to a commercial extraction stage. Our company will commence full scale extraction of mineral ore at the Beikeng Mine once the ore processing plant which is now in the final planning stage becomes operational.

With inferred resources of iron, zinc, lead and tungsten trioxide, details of which are set out later in this statement, I believe that the Beikeng Mine presents a lucrative value proposition for the Company moving forward. Therefore, I am also pleased to report that towards the end of FY2018, we had managed to secure a substantial investment from an investor who will invest a total sum of RMB25,000,000 (approximately \$4,890,000 at then prevailing foreign exchange rate) into our company. Of this, a sum of RMB19,000,000 (approximately \$3,720,000 at then prevailing foreign exchange rate) has been disbursed to our company. This investment will bring our company to the next level of business, and will primarily be deployed for the construction of the ore processing plant and for general working capital requirements.

With this outlook, I believe that our company will be able to be in a position to report its initial profit in the coming financial year.

Having provided with an overview of the major works carried out during the last financial year and the outlook for the coming financial year, I will now deal with disclosures of other information prescribed by the listing rules.

Share buy-back

In FY2018, Asaplus Resources Limited (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.

Information required under LR5.20(a)

The mining tenements held by the Company and its child entities as at the date of the 2018 Annual Report

The Silverstone Project, a 4.83 km² tenement located in Datian County, Sanming City, Fujian Province in the People's Republic of China, under exploration licence number T35120110102043628 which expired on 30 October 2014. The Company has applied to the relevant authorities for an extension of time to apply for the renewal of this exploration permit. As the Company does not have any immediate plan to commence commercial operations at the Silverstone Project, the Company will only apply for the extension of the exploration permit (as a precursor for the Company to complete its application for an extraction licence) at such time when demand for and prices of iron ore make it feasible to commence commercial operations at the Silverstone Mine.

The Beikeng Mine, a 0.771 km² iron ore tenement located in Datian County, Sanming City, Fujian Province in the People's Republic of China, under extraction licence number C3500002010122110086857 which expires on 4 February 2023.

Location of the tenements

Tenement	Location
Silverstone Project	Datian County, Sanming City Fujian Province China
Beikeng Mine	Datian County, Sanming City Fujian Province China

Percentage interest held

Tenement	Percentage interest held
Silverstone Project	100%
Beikeng Mine	80%

The summary of the ore reserves and mineral resources at the above tenements in a tabular form is as follows:

Resources estimate in the <u>Inferred</u> Category	Note(s) on the resource estimate	Date of original disclosure, including Competent Person's statement								
Beikeng Mine										
1,058,100 tonnes	Includes 25,000 tonnes already mined and is stockpiled at the mine site.	12 July 2017, with additional information disclosed on 8 August 2017								
	<table border="1"> <thead> <tr> <th>Fe (%)</th> <th>Pb (%)</th> <th>Zn (%)</th> <th>WO₃ (%)</th> </tr> </thead> <tbody> <tr> <td>27.52</td> <td>1.53</td> <td>1.22</td> <td>0.58</td> </tr> </tbody> </table>	Fe (%)	Pb (%)	Zn (%)	WO ₃ (%)	27.52	1.53	1.22	0.58	
Fe (%)	Pb (%)	Zn (%)	WO ₃ (%)							
27.52	1.53	1.22	0.58							

Resources estimate in the <u>Inferred</u> Category	Note(s) on the resource estimate	Date of original disclosure, including Competent Person's statement
--	----------------------------------	---

Silverstone Mine

3,480,700 tonnes	Calculated based on a cut off figure of 30% Fe.	13 May 2013
------------------	---	-------------

I conclude my statement with my very best wishes, that may each of you be well and healthy.

Yours faithfully



Ir. Che Mohamed Hussein bin Mohamed Shariff

2. Board of directors and corporate governance

As of the date of this Annual Report, the Company is managed by a board of directors, which currently comprises 5 directors, namely:

Name	Date appointed, or last appointed as applicable	Designation
Che Mohamed Hussein bin Mohamed Shariff	27 August 2016	Independent non-executive director and chairman of the board
DING Poi Bor	13 February 2018	Executive director
LAU Eng Foo (Andy)	1 August 2012	Executive director
Dominic LIM Kian Gam	27 August 2016	Independent director
ONG Yih Ching	16 May 2018	Independent director

The qualifications, business and working experience of each director is summarised below:

(a)



Ir. Che Mohamed Hussein bin Mohamed Shariff
Malaysian citizen

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. Until May 2018, Hussein was the chief executive officer of a 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.

(b)



DING Poi Bor
Malaysian citizen

Ding is currently the Group Managing Director of DKLS Industries Berhad (DKLS), a company listed on the Main Market of Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange). He is a founding member of DKLS and was appointed to its board as an Executive Director in 1996. He was subsequently appointed as Deputy Managing Director in 2003 and thereafter to his current position in 2007. He is also the Chairman of the Investment Committee of DKLS. He has over 30 years of diversified experience in quarry operations and project management of civil and structural engineering, road-works and building construction projects, with

a specialization in runway construction. He is also well versed in land and marine piling works and marine structures.

As executive director, he is tasked with all the executive functions to oversee the overall management of the Company's business and operations.

(c)



LAU Eng Foo (Andy)
Malaysian citizen

Andy is the founder of and driving force behind of a 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 executive director, Andy provides the entrepreneurial drive and strategic direction for the Company.

(d)



Dominic LIM Kian Gam
Singapore citizen

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 25 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.

Dominic has relevant financial expertise. Therefore, when the board meets as an audit committee, or when the board meets to perform the role normally performed by an audit committee, Dominic will chair these meetings.

(e)



ONG Yih Ching
Malaysian citizen

Mr ONG Yih Ching is a Chartered Accountant (Malaysia) and is a Fellow of the Association of Chartered Certified Accountants in the United Kingdom. He is currently principal of a corporate advisory company with a practice focus on advising and consulting on accounting, audit, tax, corporate restructuring and IPO preparation. Prior to this, he was responsible for the finance functions of a public company listed on both the ASX and the CLOB board of the then Stock Exchange of Singapore.

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	Total number of meetings	
	held during the financial year, or since the date of the director's appointment (as the case may be)	attended by the director
Che Mohamed Hussein bin Mohamed Shariff	6	6
DING Poi Bor [#]	1	0
LAU Eng Foo (Andy) [@]	6	5
Dominic LIM Kian Gam	6	6
ONG Yih Ching	0	0

[#] DING Poi Bor excluded himself from the meeting held after his appointment during the financial year as the board deliberated on a transaction which he had interest in.

[@] LAU Eng Foo (Andy) excluded himself from one meeting held during the financial year as the board deliberated on a transaction which he had interest in.

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

- the Asaplus Corporate Governance Statement 2018 (the **AJY CG Statement 2018**) 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 2018**),

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 2018 and the AJY Appendix 4G 2018 are available for download at the Company's website (www.asaplusresources.com).

As the Company's activities develop in size, nature and scope, the board will consider the implementation of additional corporate governance practices.

3. Financial report

The Company's financial report for FY2018 is set out in the Company's audited consolidated financial statements (the **2018 Audited Accounts**) which was lodged with ASX on 29 June 2018. The 2018 Audited Accounts are available for download at the ASX announcements portal or at the Company's website (www.asaplusresources.com).

4. Shareholding information

Number of Security Holders and Securities on Issue

As of 10 August 2018, the Company has issued 136,000,000 CHESS Depository Interests (CDIs) over 136,000,000 fully paid ordinary shares in the Company's issued and paid up share capital held by 410 CDI-holders.

Under a Subscription Agreement dated 25 January 2018 (as amended by a Supplemental Agreement dated 6 February 2018), the Company granted an option to subscribe for up to 12,000,000 new Shares at a price of \$0.09795 (or RMB0.50 at the agreed foreign exchange rate) per Share to an investor. This option expires at 5:00PM Western Australian time on 1 August 2021.

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:

- (a) give CDN voting instructions in relation to the number of CDIs he or she holds; or
- (b) 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 10 August 2018 are as follows:

Holding distribution

10 Aug 2018				
Range	Securities	%	No. of holders	%
100,001 and Over	129,275,339	95.06	52	12.68
10,001 to 100,000	4,554,660	3.35	140	34.15
5,001 to 10,000	2,170,000	1.60	217	52.93
1,001 to 5,000	0	0.00	0	0.00
1 to 1,000	1	0.00	1	0.24
Total	136,000,000	100.00	410	100.00
Unmarketable Parcels	1	0.00	1	0.24

Substantial Shareholders

Substantial shareholders of the Company, that is to say, holders holding more than 5% of the Company's issued share capital, as of 10 August 2018 are as follows:

Name	A/C designation	10 Aug 2018	%IC
DING POI BOR		39,500,000	29.04
MR LAU ENG FOO		22,925,000	16.86
MS TAN WIL LIAN		14,625,000	10.75
MR HONG XUSHENG		10,750,000	7.90

Twenty Largest Shareholders

The twenty largest shareholders of the Company as of 10 August 2018 are as follows:

Name	A/C designation	10 Aug 2018
DING POI BOR		39,500,000
MR LAU ENG FOO		22,925,000
MS TAN WIL LIAN		14,625,000
MR HONG XUSHENG		10,750,000
WANG JIANRONG		5,820,000
LIQIN LIN		3,520,000
BOON THUAN KEE		3,344,000
SINNY UNITED SDN BHD		2,000,000
JIANSHENG QIU		1,936,000
QUN LIU		1,760,000
IRENE CHUA PAIK SEE		1,700,000
BOON THUAN KEE		1,347,000
SEONG KUNG MAH		1,198,285
CITICORP NOMINEES PTY LIM...		1,025,000
TEE CHEE SENG		1,000,000
ZAMRI BIN ABD HAMID		1,000,000
KOK FI JOHN HO		1,000,000
MR GEH YEAN CHIN		1,000,000
MR JIACHENG LI		954,000
MOHAMED IYLIA ANWAR & BIN ...		880,000
DANDONG LI		880,000

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:

Company Matters Pty Ltd
Level 12 QVI Building
250 St Georges Terrace
Perth WA 6000
Tel: +61 8 9211 6653
Fax: +61 2 9287 0350