IR RESOURCES LIMITED
同仁資源有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8186)

2015 FINAL RESULTS

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM is positioned as a market designed to accommodate companies to which a higher investment risk may be attached other than companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the board (the "Board") of directors (the "Directors") of IR Resources Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and beliefs: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading.

The Board hereby presents the audited consolidated final results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
CONTINUING OPERATIONS			
REVENUE	5	**38,914**	—
Cost of sales	6	**(28,096)**	—
Gross profit		**10,818**	—
Other income and gains	5	**653**	1,172
Administrative expenses		**(15,696)**	(15,464)
Finance costs	7	**(29,162)**	(25,728)
Impairment loss on prepayments, deposits and other receivables	6	**—**	(1,163)
Impairment loss on biological assets	6	**—**	(481)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6	**(33,387)**	(41,664)
Income tax expense	8	**(1,693)**	—
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(35,080)**	(41,664)
DISCONTINUED OPERATION			
Share of loss of associates		**(3)**	(1)
LOSS FOR THE YEAR		**(35,083)**	(41,665)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Loss attributable to:			
Equity holders of the Company		**(35,083)**	(41,665)
Non-controlling interests		**—**	—
		(35,083)	(41,665)
Basic loss per share	*10*		
For loss for the year		**(1.34) cents**	(1.59) cents
For loss from continuing operations		**(1.34) cents**	(1.59) cents
Diluted loss per share	*10*		
For loss for the year		**(1.34) cents**	(1.59) cents
For loss from continuing operations		**(1.34) cents**	(1.59) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
LOSS FOR THE YEAR	**(35,083)**	(41,665)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(392)**	(380)
Exchange fluctuation reserve realised upon disposal of associates	**390**	—
Less: Income tax effect	**—**	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(2)**	(380)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(35,085)**	(42,045)
Attributable to:		
Equity holders of the Company	**(35,085)**	(42,045)
Non-controlling interests	**—**	—
	(35,085)	(42,045)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**14,600**	17,422
Biological assets		**—**	—
Intangible assets	*11*	**307,164**	307,164
Goodwill		**—**	—
Interests in associates		**—**	2,889
Total non-current assets		**321,764**	327,475
Current assets			
Inventories		**—**	—
Trade receivables	*12*	**13,983**	—
Prepayments, deposits and other receivables		**4,592**	10,545
Cash and bank balances		**4,246**	2,288
Total current assets		**22,821**	12,833
Current liabilities			
Trade payables	*13*	**6,107**	—
Other loans, other payables and accruals	*14*	**157,746**	126,377
Tax payables		**1,884**	—
Total current liabilities		**165,737**	126,377
Net current liabilities		**(142,916)**	(113,544)
Net assets		**178,848**	213,931
EQUITY			
Share capital		**131,198**	131,198
Reserves		**47,650**	82,736
Total equity attributable to:			
Equity holders of the Company		**178,848**	213,934
Non-controlling interests		**—**	(3)
Total equity		**178,848**	213,931

1. CORPORATE AND GROUP INFORMATION

IR Resources Limited (formerly known as "China Asean Resources Limited") (the "Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is situated at 36/F., Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong.

Pursuant to a special resolution passed at an annual general meeting of the Company held on 15 July 2015 and approved by the Registrar of Companies of Bermuda on 11 August 2015, the English name of the Company was changed from "China Asean Resources Limited" to "IR Resources Limited" and the Chinese name of the Company was changed from "神州東盟資源有限公司" to "同仁資源有限公司" with effect from 31 August 2015.

The shares of the Company are listed on the GEM.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the biological assets, which are stated in the consolidated statement of financial position at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2015, the Group had cash and bank balances of approximately HK$4,246,000 (2014: HK$2,288,000) and recorded a consolidated net current liabilities of approximately HK$142,916,000 (2014: HK$113,544,000). The Directors are of the opinion that the Group would be able to continue as a going concern and to meet their financial obligations in full after taken into consideration of the following factors:

(a) Attainment of profitable operations and improvement of operating cash flows

(i) Forestry and agricultural segment

(1) In July 2015, the Company entered into a subscription agreement as supplemented by a supplemental agreement dated 30 September 2015 (collectively, the "Subscription Agreements") with six subscribers (the "Subscribers"), who are independent third parties and have substantial experience in the timber industry with sales network. The relevant Subscribers (the "Timber Logging Subscribers") will collaborate with a team of experienced personnel to establish an operating management team to revitalise the timber logging activities of the Group. Pursuant to the Subscription Agreements, (a) the Company will undergo an internal restructuring (the "Restructuring"); (b) the Timber Logging Subscribers will enter into working capital loan agreements with the Company, pursuant to which, the Timber Logging Subscribers will in aggregate provide working capital loan up to HK$51,750,000 for the carrying out of the timber logging activities; and (c) the Timber Logging Subscribers have guaranteed that for the six-month period immediately after completion of the Subscription Agreements, the six-month period commencing on the seventh month after completion of the Subscription Agreements and the twelve-month period commencing on the thirteen month after completion of the Subscription Agreements, revenue derived from the timber logging activities will not be less than HK$50,000,000, HK$50,000,000 and HK$100,000,000, respectively; and

(2) In November 2015, the Group entered into a cooperation agreement (the "Plantation Cooperation Agreement") with an experienced plantation operator (the "Plantation Partner"), who is an independent third party with substantial experience in the business of plantation and with operations in Southeast Asia. Pursuant to the Plantation Cooperation Agreement, the Plantation Partner will engage in the plantation business of the Group and, together with the relevant Subscribers (the "Plantation Subscribers"), will provide funding to carry out the plantation business of the three forests and will undertake that the annual plantation volume of each of the three forests will be no less than those required by the local registration under the investment contracts. In addition, the Plantation Partner and the Plantation Subscribers will compensate the Company any penalty imposed by the Cambodian government for reasons that the annual plantation volume cannot be met.

(ii) Disposal of associates

The Group had disposed of its loss-making associates (the "Associates"), which are engaged in the processing and distribution of basic goods, for a cash consideration of HK$2,500,000 in August 2015.

(b) Loan facilities

In November 2014, the Company entered into a loan facility being agreement with its related company ("RC", with a director of the Company also being a sole director and sole shareholder of RC who (i) resigned as a sole director of RC; and (ii) disposed of all equity interests in RC on 14 November 2014. RC ceased to be a related company of the Company since then) for a loan amount up to HK$25,000,000. As at 31 December 2015, the Group had withdrawn approximately HK$15,500,000 (2014: HK$4,000,000). As at the date of this announcement, the Company had withdrawn an accumulated amount of approximately HK$18,000,000. The lender has agreed not to demand for repayment until the completion of the fund raising exercise after the shares of the Company have been resumed for trading and the Company is in a position to do so.

(c) Rights issue

On 24 February 2016, the Company entered into an underwriting agreement with an underwriter to raise fund of approximately HK$262 million (before expenses) by way of a rights issue (the "Rights Issue"), which, subject to fulfillment of certain conditions precedent pursuant to the underwriting agreement, is expected to be completed in May 2016, for the purposes of general working capital and debt repayment.

(d) Further funding from the Timber Logging Subscribers, the Plantation Partner and Plantation Subscribers

As mentioned above, the working capital loans provided by the Timber Logging Subscribers and further funding provided by the Plantation Partner and the Plantation Subscribers will be applied to carry out the Timber Logging and plantation business of the three forests.

In light of all the measures having been adopted and arrangements implemented, the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's financial and liquidity position as at 31 December 2015. Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

2.2 EXTRACT OF INDEPENDENT AUDITORS' REPORT

In the independent auditors' report (the "Auditors' Report") for the year ended 31 December 2015, the Group's independent auditors (the "Auditors") made certain qualified opinions as follows:

Basis of qualified opinion

(1) Scope limitation — loss of access to books and records of certain subsidiaries

As detailed in the Auditors' Report, the Group entered into an agreement to dispose of its 100% equity interest in Linkbest System Development Limited ("Linkbest") and its subsidiaries, including 內蒙古華越礦業有限公司 (literally translated as Inner Mongolia Huayue Mining Limited, "IM Mining") (collectively, the "Linkbest Group") on 5 September 2012 to the original vendor, Mr. Gong Ting ("Mr. Gong") (the "First Linkbest Disposal"). Mr. Gong used to be a substantial shareholder and a director of the Company and resigned as a director of the Company on 4 September 2014. However, the First Linkbest Disposal had not been completed on the long stop date in January 2014. The Linkbest Group was subsequently disposed of to an independent third party in August 2015 (the "Second Linkbest Disposal").

As (i) the management of the Company had been devoting its attention in preparing for the disposal of the Linkbest Group to Mr. Gong, who had been designated by the Board to manage the Linkbest Group since 2012; (ii) the departure of certain key management and staff of the Linkbest Group as a result of non-performance of IM Mining and wage disputes; and (iii) the remaining books and records of the Linkbest Group were transferred to the buyer upon completion of the Second Linkbest Disposal on 19 August 2015, the underlying books and records of the Linkbest Group were not accessible and only limited financial information of the Linkbest Group was retained by the Group for accounting and auditing purposes. Therefore, the Directors were unable to give representation as to whether the consolidated financial statements of the Linkbest Group for the period from 1 January 2015 to 19 August 2015 (the date of disposal) are free from material misstatement and fairly stated. During the course of the audit, the Auditors had not been provided with the books and records of the Linkbest Group for the period from 1 January 2015 to 19 August 2015 or sufficient appropriate audit evidence for their assessment of the control by Linkbest over IM Mining. The Auditors were unable to carry out the alternative audit procedures they considered necessary to satisfy themselves as to (i) whether the consolidated financial statements of the Linkbest Group for the period from 1 January 2015 to 19 August 2015, which were consolidated into the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015, are free from material misstatement and fairly stated; (ii) the loss on disposal of HK$NIL of the Linkbest Group during the year ended 31 December 2015 is free from material misstatement and fairly stated; and (iii) whether IM Mining had been properly accounted for as a subsidiary of Linkbest. On the same premises, the Auditors have also issued a disclaimer of opinion in the auditors' report dated 24 February 2016 on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2014. Any adjustments found to be necessary would affect the accumulated losses of the Company and its subsidiaries as at 1 January 2015 and consequently, the loss and cashflows for the year then ended and the related disclosures thereof in the consolidated financial statements.

(2) Scope limitation — opening balances of investments in subsidiaries and amounts due from subsidiaries

As detailed in the Auditors' report, included in the Company's statement of the financial position were the net carrying amount of the investments in subsidiaries of approximately HK$1,407,000 and amounts due from subsidiaries of approximately HK$278,773,000, net of accumulated impairment of approximately HK$4,130,000 and HK$733,233,000, respectively, as at 31 December 2014. Based on the management's impairment assessment, no further provision for impairment losses (2014: provision of impairment of approximately HK$42,981,000) was made on the balance of investments in subsidiaries and the amounts due from subsidiaries during the year ended 31 December 2015. Due to the significant losses incurred by the subsidiaries and the certain scope limitations in previous years, the Auditors were unable to carry out alternative audit procedures they considered necessary to satisfy themselves as to whether the balance of the investments in subsidiaries and amounts due from subsidiaries as at 31 December 2014 and the related impairment for the year ended 31 December 2014 are free from material misstatement and fairly stated and therefore, the Auditors have also issued a disclaimer of opinion in the auditors' report dated 24 February 2016 on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2014. Any adjustments found to be necessary would affect the accumulated losses of the Company as at 1 January 2015 and consequently, the loss for the year then ended, and the related disclosure thereof in the Company's statement of financial position in the consolidated financial statements.

(3) Fundamental uncertainty — going concern

In forming the Auditors' opinion, the Auditors have considered the adequacy of the disclosures made in note 2.1 to the consolidated financial statements concerning the liquidity position of the Company and its subsidiaries and the adoption of the going concern basis in the preparation of the consolidated financial statements. The Company and its subsidiaries incurred a loss of approximately HK$35,080,000 from its continuing operations during the year ended 31 December 2015 and had consolidated net current liabilities of approximately HK$142,916,000 as at 31 December 2015 which indicates the existence of a material uncertainty which may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite the above, the consolidated financial statements have been prepared on the going concern basis, the validity of which depends on the results of the future funding being available to the Company and its subsidiaries and the success of their future operation. Should the Company and its subsidiaries be unable to continue as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements. The Auditors consider that appropriate disclosures have been made. However, the Auditors consider this fundamental uncertainty is significant to the consolidated financial statements and therefore the Auditors have qualified their opinion in respect of the appropriateness of adopting the going concern basis for the preparation of the consolidated financial statements.

Qualified Opinion

In the Auditors' opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Report on matters under Sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence about the matters described in the Basis for Qualified Opinion paragraphs:

- the Auditors have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- the Auditors were unable to determine whether proper books of account had been kept.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's consolidated financial statements.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Annual Improvements to 2010-2012 cycle	Amendments to a number of HKFRSs[1]
Annual Improvements to 2011-2013 cycle	Amendments to a number of HKFRSs[1]

Other than as explained below regarding the impact of HKAS 19 and certain annual improvement, the adoption of the above revised standard has had no significant financial effect on these consolidated financial statements.

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The Annual Improvements to HKFRSs 2010-2012 Cycle issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 8 Operating Segments: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

HKAS 16 Property, Plant and Equipment and HKAS 38 Intangible Assets: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

HKAS 24 Related Party Disclosures: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Details of related party transactions have been disclosed in note 16 to this announcement.

(c) The Annual Improvements to HKFRSs 2011-2013 Cycle issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 3 Business Combinations: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

HKFRS 13 Fair Value Measurement: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance, Cap.622 came into effect for the first time during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the consolidated financial statements.

3.1 NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the consolidated financial statements.

HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]

Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27(2011)	Equity Method in Separate Financial Statements[1]
Annual Improvement to 2010-2014 cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. During 2015, the Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of HKFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables (add any other debt instruments as applicable). The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables (add any other debt instruments as applicable) upon the adoption of HKFRS 9.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018. During the year ended 31 December 2015, the Group performed a preliminary assessment on the impact of the adoption of HKFRS 15.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the forestry and agricultural segment is the timber logging, plantation and sales of wood and agricultural products;

(b) the resources and logistics segment is the provision of resources and logistics business; and

(c) the basic goods business segment is the processing and distribution of basic goods, which had been discontinued during the year ended 31 December 2014.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax from continuing operations. The adjusted loss before tax from continuing operations is measured consistently with the Group's loss before tax from continuing operations except that interest income and finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Years ended 31 December 2014 and 2015

No operating segment information is presented for the years ended 31 December 2014 and 2015 as over 90% of the Group's revenue and assets related to the business of the timber logging, plantation and sales of wood and agricultural products.

Geographical information

No geographical information is further presented for the years ended 31 December 2014 and 2015 as over 90% of the Group's revenue and non-current assets are located in Kingdom of Cambodia ("Cambodia").

Information about a major customer

Sales to the largest customer of the forestry and agricultural segment amounted to approximately HK$14,835,000 (2014: HK$Nil) for the year ended 31 December 2015.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after trade discounts and related resources taxes, received and receivable from the independent third parties during the year.

An analysis of revenue, other income and gains is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Sales of wood and agricultural products	**38,914**	—
Total revenue	**38,914**	—
Other income and gains		
Bank interest income	**—**	1
Gain on the deregistration of a subsidiary	**—**	32
Gain on exchange difference	**9**	—
Others	**644**	1,139
Total other income and gains	**653**	1,172
Total revenue, other income and gains	**39,567**	1,172
Revenue		
Attributable to continuing operations reported in the consolidated statement of profit or loss	**38,914**	—
Attributable to discontinued operation	**—**	—
	38,914	—
Other income and gains		
Attributable to continuing operations reported in the consolidated statement of profit or loss	**653**	1,172
Attributable to discontinued operation	**—**	—
	653	1,172
	39,567	1,172

6. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

Loss before tax from continuing operations is arrived at after charging/(crediting):

	2015 *HK$'000*	2014 *HK$'000*
Cost of goods sold:		
Continuing operations	**28,096**	—
Discontinued operation	**—**	—
	28,096	—
Auditors' remuneration:		
Annual audit	**939**	1,000
Underprovision in previous year	**—**	200
Other assurance services	**628**	—
	1,567	1,200
Depreciation of property, plant and equipment	**2,843**	3,053
Impairment loss on biological assets	**—**	481
Impairment loss on prepayments, deposits and other receivables	**—**	1,163
Loss on disposal of associates	**386**	—
Minimum lease payments under operating leases: land and buildings	**618**	1,039
Staff costs (excluding directors' remuneration):		
Wages and salaries	**2,118**	2,571
Pension scheme contributions	**80**	24
	2,198	2,595
Bank interest income	**—**	(1)
Gain on the deregistration of a subsidiary	**—**	(32)

7. FINANCE COSTS

	2015 *HK$'000*	2014 *HK$'000*
Interest on the KW Loan *(note 14)*	**28,694**	25,707
Interest on the RC Loan *(note 14)*	**468**	21
	29,162	25,728

8. INCOME TAX EXPENSES

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2015.

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2014.

PRC

Under the Corproate Income Tax Law, the corporate income tax ("CIT") is calculated at a rate of 25%. CIT has not been provided as the Group did not generate any assessable profits arising in the PRC during the years ended 31 December 2014 and 2015.

Cambodia

Under the Cambodian Law on Taxation, the Cambodian corporate income tax ("CCIT") is calculated at a rate of 20%. CCIT has not been provided as the Group did not generate any assessable profits arising in Cambodia during the years ended 31 December 2014 and 2015.

	2015	2014
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**1,693**	—
PRC corporate income tax	**—**	—
Cambodia	**—**	—
	1,693	—
Deferred tax	**—**	—
Total tax charge for the year	**1,693**	—

9. DIVIDENDS

The Directors did not recommend a final dividend for the year ended 31 December 2015 (2014: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculations of basic loss per share are based on:

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to ordinary equity holders of the Company, used in the basic loss per share calculation:		
From continuing operations	**(35,080)**	(41,664)
From a discontinued operation	**(3)**	(1)
	(35,083)	(41,665)

	Number of shares *('000)*	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in basic loss:		
Issued ordinary shares at 1 January and 31 December	**2,623,951**	2,623,951

The calculation of diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company as adjusted to reflect the weighted average number of ordinary shares used in the basic loss per share calculation, as adjusted for the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2014 in respect of a dilution as the impact of the share options outstanding had an auti-dilutive effect on the basic loss per share amounts presented.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2015.

11. INTANGIBLE ASSETS

	Timber logging rights *HK$'000*
Cost	
At 1 January 2014, 31 December 2014 and 2015	**896,932**
Accumulated amortisation and impairment	
At 1 January 2014	589,768
Amortisation charge for the year	—
At 31 December 2014 and 1 January 2015	589,768
Amortisation charge for the year	—
At 31 December 2015	**589,768**
Carrying amount	
At 31 December 2015	**307,164**
At 31 December 2014	307,164

The Group holds the exclusive right (the "Timber Logging Right") to log trees in three forests (the "Three Forests") located in Kratie District, Kratie Province, Cambodia for a period of 70 years up to 2077 and 2078, respectively. The Timber Logging Rights give the Group rights to log trees in the Three Forests with an aggregate area approximately 21,649 hectares. In July 2015, the Royal Government of Cambodia issued a notification that the period of the Timber Logging Rights will be reduced from 70 years to 50 years.

The Group is using the "unit of production method" ("UOP") as the amortisation method.

12. TRADE RECEIVABLES

	2015 ***HK$'000***	2014 *HK$'000*
Trade receivables	**15,984**	2,001
Less: Impairment	**(2,001)**	(2,001)
	13,983	—

The movements in the provision for impairment of trade receivables during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**2,001**	2,001
Impairment losses recognised	**—**	—
At 31 December	**2,001**	2,001

The ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**5,710**	—
31 to 60 days	**6,668**	—
Over 60 days	**1,605**	—
	13,983	—

13. TRADE PAYABLES

The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**4,246**	—
31 to 60 days	**1,861**	—
Over 60 days	**—**	—
	6,107	—

14. OTHER LOANS, OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Other payables and accruals	**34,880**	39,486
Due to a director	**30**	4,717
KW Loan *(notes 7 and 16(i)(a))*:		
— Principal	**46,787**	46,787
— Accrued interest	**60,060**	31,366
RC Loan *(notes 7 and 16(i)(b))*:		
— Principal	**15,500**	4,000
— Accrued interest	**489**	21
	157,746	126,377

15. OPERATING LEASE COMMITMENTS

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms of two years.

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 1 year	**106**	268
In the second to fifth years, inclusive	**—**	29
	106	297
Continuing operations	**106**	297
Discontinued operation	**—**	—
	106	297

16. RELATED PARTIES TRANSACTIONS

(i) Save as those transactions and balances disclosed elsewhere in this announcement, the Group had the following material transactions with related parties during the year:

	2015	2014
	HK$'000	*HK$'000*
Interest on the KW Loan *(note (a))*	**—**	24,533
Interest on the RC Loan *(note (b))*	**—**	9
Consideration paid for the acquisition of:		
A subsidiary from a director	**—**	37
A subsidiary from a related party	**—**	11

Notes:

(a) As detailed in note 14 to this announcement, Mr. Zhang Zhenzhong ("Mr. Zhang"), a former chief executive officer of the Group, would provide two loans facilities (the "KW Loan") in an aggregate principal amount of up to HK$76,300,000 to Keen Wood Group Limited ("Keen Wood") which was interest bearing at 5% per annum, secured by 100% of the shares in Forest Glen Group Limited ("Forest Glen") and China Cambodia Resources Limited ("China Cambodia") (the "Share Charges"), in which, as to HK$37,323,000 should be repaid on or before 20 May 2015 and the remaining balances of HK$9,464,000 should be repaid on or before 20 May 2016. If defaults (the "Defaults") in the loan agreement is triggered (including but not limited to (1) default in repayment; and (2) the shares of the Company to be listed on the GEM or trading in the shares of the Company has been suspended for a period of more than 60 trading days after the date of the Loan Agreement), an additional interest of (i) 15% will be charged for the first 20 business days from said due date; (ii) 30% will be charged for the first 3 months immediately following the first 20 business days; and (iii) 50% will be charged thereafter. On 31 October 2014, RC (a related party of the Company until 14 November 2014) acquired the KW Loan from Mr. Zhang and, therefore, Mr. Zhang was no longer a creditor of the Group as at 31 December 2015 and 2014. During the year ended 31 December 2014, interest accrued on the KW Loan of approximately HK$25,707,000 was further recognised in the consolidated statement of profit or loss, in which, (i) as to approximately HK$21,423,000 of interest accrued on the KW Loan for the period from 1 January 2014 to 30 October 2014; and (ii) as to approximately HK$3,110,000 of interest accrued on the KW Loan payable to RC for the period from 31 October 2014 to 14 November 2014, were classified as related party transactions.

(b) As detailed in note 14 to this announcement, RC further provided the RC Loan to the Group, for the loan amount up to HK$25,000,000. As at 31 December 2015, the Group had withdrawn approximately HK$15,500,000(2014: HK$4,000,000). The RC Loan bears interest at 5% per annum and unsecured. During the year ended 31 December 2014, interest accrued on the RC Loan of approximately HK$21,000 was further recognised in the consolidated statement of profit or loss, in which, as to approximately HK$9,000 of interest accrued on the RC Loan payable to RC for the period from 31 October 2014 to 14 November 2014, were classified as related party transactions.

The related party transactions were conducted on terms negotiated between the Group and the related parties.

(ii) Compensation of key management personnel of the Group:

	2015	2014
	HK$'000	*HK$'000*
Short term employee benefits	**1,438**	1,867
Post-employment benefits	**—**	—
Equity-settled share option expenses	**—**	—
Total compensation paid to key management personnel	**1,438**	1,867

17. EVENTS AFTER THE REPORTING PERIOD

As detailed in note 2.1(c) to this announcement, the Company entered into an underwriting agreement with an underwriter subsequent to the end of the reporting period on 24 February 2016 regarding the Rights Issue of approximately HK$262 million (before expenses). At the date of this announcement, the Rights Issue has not been completed.

MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF THE FINAL RESULTS

The Group is principally engaged in (i) forestry and agricultural business in the Cambodia (logging of existing trees from and subsequent plantation of rubber trees or other agricultural produce on the Three Forests for which the Group has been granted the exploitation concession right and the sale of wood and agricultural products); and (ii) resources and logistics business.

Financial Review

Revenue

For the year ended 31 December 2015, the Group recorded revenue of HK$38.9 million (2014: HK$Nil) arising from sale of wood products.

Loss for the year

The consolidated loss and loss attributable to its equity holders reduced to HK$35.1 million for the year ended 31 December 2015 from HK$41.7 million for the year ended 31 December 2014. The loss for the year was mainly attributable to the substantial finance costs arising from the interest on the KW Loan.

Basic and diluted loss per share from continuing operations was HK1.34 cents (2014: HK1.59 cents).

Events After the Reporting Period

As detailed in note 17 to this announcement, the Company has a proposed Rights Issue subsequent to the end of the reporting period.

Recent Development

Subscription Agreements

In July 2015, the Company entered into a subscription agreement (and subsequently a supplemental agreement on 30 September 2015) (collectively, the "Subscription Agreements") with investors which have business connection and experience in the forestry business in Asia, pursuant to which, the Company will undergo the Restructuring. As at the date of this announcement, the Subscription Agreements had not been completed. Details of the Subscription Agreements and the Restructuring were disclosed in the Company's announcements dated 17 July and 30 September 2015.

Plantation Cooperation Agreement

In November 2015, the Group entered into a cooperation agreement ("Plantation Cooperation Agreement") with a Plantation Partner, which has substantial experience in the business of plantation and has operations in the Southeast Asia. Pursuant to the Plantation Cooperation Agreement, the Plantation Partner will be engaged in the plantation business of the Group and, together with the Plantation Subscribers, will provide funding for the plantation business of the Group.

Suspension in trading in the Shares

Trading in the Shares has been suspended since April 2013 and will remain suspended pending the fulfillment of the resumption conditions.

Prospects

Looking forward, the Group will (i) continue to implement strategies to strengthen its forestry and agricultural business and (ii) seize appropriate investment/business in its resources and logistics business as well as debt/equity fund raising opportunities so as to enhance the financial condition of the Group for its continuous development.

Capital Structure

As at 31 December 2015, the total number of issued shares and the issued share capital of the Company were 2,623,950,965 and HK$131,198,000, respectively. During the year ended 31 December 2015, the Company did not issue any new Shares.

Financial Resources, Borrowings, Banking Facilities and Liquidity

During the year ended 31 December 2015, the net cash used in operating activities amounted to HK$18.1 million (2014: HK$33.9 million) and the net cash from investing activities amounted to HK$2.6 million (2014: net cash used in of HK$0.5 million). The net cash from financing activities amounted to HK$17.5 million (2014: HK$33.4 million). As a result of the cumulative effect described above, the Group recorded a net cash inflow of HK$2.0 million (2014: net cash outflow of HK$1.0 million).

As at 31 December 2015, the Group had total assets of HK$344.6 million (2014: HK$340.3 million) and total liabilities of HK$165.7 million (2014: HK$126.4 million). The Group's gearing ratio (calculated as a percentage of the Group's total liabilities to the total assets) was 48.1% (2014: 37.1%). As at 31 December 2015, the Group did not have any outstanding bank borrowings (2014: Nil).

As at 31 December 2015, the Group's current assets amounted to HK$22.8 million (2014: HK$12.8 million) of which HK$4.2 million (2014: HK$2.3 million) was cash and bank deposits, and the current liabilities amounted to HK$165.7 million (2014: HK$126.4 million).

As at 31 December 2015, the net assets of the Group amounted to HK$178.8 million (including non-controlling interest) (2014: HK$213.9 million) and the net asset value per Share amounted to HK$0.07 (2014: HK$0.08).

Significant Investment and Material Acquisition and Disposal

Save for (i) the entering into of the Subscription Agreements and the Plantation Cooperation Agreement, (ii) the disposal of the Linkbest Group and the Associates of the Group, the Group did not make any significant investment and any material acquisition/disposal.

Charge on assets of the Group

The Shares Charges were pledged to secure the KW Loan as at 31 December 2015.

Risks

The Group mainly operates in Hong Kong, Cambodia and the PRC and is exposed to foreign exchange risk. The Group does not have a foreign currency hedging policy but it continuously monitors its foreign exchange exposure and will apply appropriate measures if necessary. The Groups business is also subject to a number of risks including the weather conditions, natural hazards and illegal logging in the Three Forests and the price movement of the wooden products.

Employees' Information And Benefit Schemes For Employees

As at 31 December 2015, the Group had 18 (2014: 21) employees. The Group remunerates its employees based on their performance, working experience and the prevailing market condition.

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

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance is a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, saved as disclosed below, the Company has complied with the CG Code.

Chairperson and Chief Executive

To ensure a balance of power and authority, a clear division of the responsibilities of the chairperson of the Board and the chief executive has been set out in writing. The chairperson is mainly responsible for providing leadership to the Board, encouraging all Directors to make full and active contribution to the Board's affairs and ensuring that the Board acts in the best interest of the Group. The chief executive is responsible for the implementation of the Group's strategies and policies adopted by the Board in achieving the overall commercial objectives and assumes full accountability to the Board for the operation of the Group.

During the year, the office of the chief executive is vacated. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee"), as at the date of this announcement, comprises three members, all being independent non-executive Directors. The chairperson of the Audit Committee is Ms. Pang King Sze, Rufina and the other members are Mr. Hong Bingxian and Mr. Hung Kenneth. The Audit Committee's primary duties include ensuring the Group's financial statements, annual and interim reports, and the independent auditor's report present a true and balanced assessment of the Group's financial position; reviewing the Group's financial controls, internal controls and risk management systems; and reviewing the Group's financial and accounting policies and practices. The Audit Committee is provided with sufficient resources to enable it to discharge its duties.

The Audit Committee has reviewed the Company's final results for the year ended 31 December 2015.

SCOPE OF WORK OF AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditors, Ascenda Cachet CPA Limited ("Ascenda Cachet"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2015. The work performed by Ascenda Cachet in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ascenda Cachet on the preliminary announcement.

ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2015 will be despatched to its shareholders and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.irresources.com.hk) as soon as practicable.

By Order of the Board of
IR RESOURCES LIMITED
Yu Xiao Min
Chairperson

Hong Kong, 24 February 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Yu Xiao Min, Ms. Xu Miaoxia and Mr. Zeng Lingchen; and three independent non-executive Directors, namely, Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Hung Kenneth.