
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in IR Resources Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8186)

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this cover shall have the meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the SGM of the Company to be held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong on Tuesday, 29 January 2019 at 9:30 a.m., is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company at www.irresources.com.hk.

Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the principal place of business of the Company in Hong Kong at 36th Floor, Times Tower, 391–407 Jaffe Road, Wanchai, Hong Kong and/or the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed revoked.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

9 January 2019

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors from time to time
“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed transactions including but not limited to the disposal of the Sale Shares and the assignment of the Shareholder Loan pursuant to the terms and conditions of the Sale and Purchase Agreement
“Disposal Company”	Jun Yang Energy Holdings Limited (formerly known as “Jun Yang Solar Power Investment Holdings Limited”), a company incorporated in the Cayman Islands with limited liability
“Disposal Group”	the Disposal Company and its subsidiaries and associates
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guarantor”	the sole ultimate beneficial owner of the Purchaser
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	2 January 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Purchaser”	a company wholly-owned by a director of the Disposal Company
“Remaining Group”	the Group immediately after the Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 November 2018 entered into among the Vendor, the Purchaser and the Guarantor in respect of the Disposal
“Sale Shares”	the 6,224 issued ordinary shares of the Disposal Company (representing approximately 17.5% of the total issued shares of the Disposal Company as at the date of the Sale and Purchase Agreement)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong, on Tuesday, 29 January 2019 at 9:30 a.m. to consider and, if thought fit, approve the Disposal
“Shareholder(s)”	the holders of the issued shares of the Company
“Shareholder Loan”	the shareholder loan outstanding and owing to the Vendor by the Disposal Company as of the date of Completion (which amounted to US\$1,750,000 (equivalent to approximately HK\$13,585,250) as at the date of the Sale and Purchase Agreement)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	a wholly-owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8186)

Executive Directors:

CHAN Ching Hang (*Chairman*)

ZENG Lingchen

Independent non-executive Directors:

PANG King Sze, Rufina

HONG Bingxian

HUNG Kenneth

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place of
business in Hong Kong:*

36th Floor, Times Tower

391–407 Jaffe Road

Wanchai, Hong Kong

9 January 2019

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the Disposal; (ii) the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the information as required under the GEM Listing Rules; and (iv) the notice of the SGM.

THE DISPOSAL

On 27 November 2018, the Vendor, the Purchaser and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to dispose of and assign, and the Purchaser has agreed to acquire and accept the Sale Shares (representing

LETTER FROM THE BOARD

approximately 17.5% of the issued shares of the Disposal Company) and the Shareholder Loan respectively for the Consideration (as defined below).

The principal terms of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

27 November 2018

Parties to the Sale and Purchase Agreement

- (i) the Purchaser, as the purchaser;
- (ii) the Vendor, as the vendor; and
- (iii) the Guarantor, as the guarantor.

Assets disposed of

The Disposal Group is principally engaged in the solar energy business, including the development, construction, operation and maintenance of solar power station projects in the PRC. Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to dispose of and assign, and the Purchaser has agreed to acquire and accept the Sale Shares and the Shareholder Loan respectively. As at 31 December 2017, the Group's equity interest in the Disposal Company and the Shareholder Loan had an aggregate audited carrying amount of approximately HK\$27.3 million and were accounted for as the Group's available-for-sale investments (the results of which are not consolidated into the consolidated financial statements of the Group). For each of the years ended 31 December 2016 and 2017, the Disposal Group recorded (i) profit before and after taxation of HK\$11.6 million and HK\$11.2 million respectively; and (ii) loss before and after taxation of HK\$44.0 million and HK\$44.5 million respectively.

Consideration

The consideration (the "**Consideration**") for the Sale Shares and the Shareholder Loan amounts to HK\$24,050,000 and is payable by the Purchaser in cash as to (i) HK\$12,000,000 (the "**First Payment**") upon execution of the Sale and Purchase Agreement; and (ii) HK\$12,050,000 upon Completion. The Consideration is determined after arm's length negotiation between the Group and the Purchaser with reference to the carrying amount of the Sale Shares and the Shareholder Loan. Based on the unaudited management accounts of the Group, the fair value of the Sale Shares amounted to HK\$10.3 million as at 30 September 2018 and the carrying value of the Shareholder Loan amounted to HK\$13.6 million as at the Latest Practicable Date.

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If conditions (a) or (b) of the Sale and Purchase Agreement (as detailed in the paragraph headed “Conditions Precedent” below) has not been fulfilled on or before the Long Stop Date (as defined below), the Sale and Purchase Agreement shall be terminated, and the Vendor will return the First Payment to the Purchaser in full without any interest or deduction within five business days from the date of termination of the Sale and Purchase Agreement. The parties to the Sale and Purchase Agreement agree that in such event, the Group, other than its obligation to return the First Payment, shall not be liable to the Purchaser or the Guarantor for any monetary or non-monetary compensation, losses, damages and/or other consequences suffered or incurred, or claimed to be suffered or incurred, by the Purchaser and/or the Guarantor as a result of or in connection to such termination of the Sale and Purchase Agreement. On the other hand, if Completion does not take place due to any reasons other than the non-fulfilment of the conditions (a) and/or (b) of the Sale and Purchase Agreement (as detailed below), the First Payment shall be forfeited by the Vendor in full as compensation for losses suffered by the Group, which the Purchaser acknowledges and agrees as non-penal, reasonable and proportionate to the protection of the Group’s interest under the Sale and Purchase Agreement.

Guarantee

The Guarantor has agreed to guarantee the performance and observance by the Purchaser of its obligations, commitments and warranties under the Sale and Purchase Agreement.

Conditions precedent

Completion of the Sale and Purchase Agreement is subject to the following conditions precedent being fulfilled or waived (as the case may be):

- (a) all necessary consents, approvals, authorisations or permission on the part of the Vendor or the Company in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained by the Vendor or the Company and not having been revoked prior to Completion, including but not limited to the approval of the Stock Exchange in respect of any announcements and/or circulars to be issued by the Company in respect of the Disposal;
- (b) approval by the Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained at the SGM;
- (c) all necessary filings, consents, approvals, authorisation, waivers or permission in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained or performed by the Purchaser or the Guarantor and not having been revoked prior to Completion, including but not limited to the approvals, waivers or consents that are to be obtained from or by the Disposal Company (if applicable);

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- (d) the Purchaser having provided to the Vendor and the Company all the necessary information and/or confirmation relating to the Disposal Group that are (whether financial or otherwise) necessary or reasonably required by the Vendor and the Company for the purpose of the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (e) the warranties given by each of the Purchaser and the Guarantor in the Sale and Purchase Agreement remaining true and accurate and not misleading in any respect;
- (f) each of the Purchaser and the Guarantor having performed and complied with all agreements, obligations and conditions contained in the Sale and Purchase Agreement that are required to be performed or complied with by it on or before Completion; and
- (g) the warranties given by the Vendor (as set out in the Sale and Purchase Agreement) remaining true and accurate and not misleading in any respect.

None of the Vendor and the Purchaser shall have the right to waive any of the conditions (a) and (b). The Vendor may at its discretion waive the conditions (c), (d), (e) and/or (f); and the Purchaser may at its discretion waive the condition (g). If any of the above conditions has not been satisfied, or waived by the Vendor (in respect of conditions (c), (d), (e) and/or (f)), or waived by the Purchaser (in respect of condition (g)), on or before 31 March 2019 (or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the “**Long Stop Date**”), the Sale and Purchase Agreement shall terminate and no party to the Sale and Purchase Agreement shall have any claim against the other, except in respect of any antecedent breach of the terms of the Sale and Purchase Agreement.

Save for the circumstance(s) that a party(ies) to the Sale and Purchase Agreement may require additional time to fulfill the condition(s) precedent (however subject to agreement among the parties to the Sale and Purchase Agreement in writing), the Company, as at the Latest Practicable Date, does not intend to change the Long Stop Date. The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate if there is any change in the Long Stop Date.

Completion

Completion shall take place within five business days after the date on which the last condition precedent to the Sale and Purchase Agreement having been fulfilled (or waived), or such later date as may be agreed between the parties of the Sale and Purchase Agreement. Following Completion, the Group will cease to have any interest in the Disposal Company.

Save for the Disposal, the Company does not have any intention as at the Latest Practicable Date to dispose of any of its existing businesses or other material assets in the next 12 months.

LETTER FROM THE BOARD

FINANCIAL IMPACTS OF THE DISPOSAL

Based on the unaudited management accounts of the Group, the Group would record a gain of HK\$0.2 million in its statement of other comprehensive income as a result of the Disposal. The gain due to the Disposal was calculated based on (a) the Consideration; and (b) the aggregate unaudited carrying amount of the Group's equity interest in the Disposal Company and the Shareholder Loan as at 30 September 2018 of HK\$23.9 million. However, the actual gain or loss in respect of the Disposal to be recorded by the Group will be subject to the then carrying amount of the Group's equity investment in the Disposal Company and the Shareholder Loan as at the date of Completion.

INFORMATION ON THE COMPANY AND THE VENDOR

The Group is principally engaged in (i) the forestry and agricultural business; (ii) the financial services business; (iii) the cultural business; and (iv) the logistics business. The Vendor is an investment company wholly-owned by the Company.

INFORMATION ON THE PURCHASER AND THE GUARANTOR

The Guarantor has been a director of Disposal Company since its incorporation. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, the Purchaser is a company incorporated in May 2014 and principally engaged in investment holding. Save that the Guarantor is a director of the Disposal Company and certain group companies of the Disposal Group, the Purchaser and the Guarantor are third parties independent of and not connected persons (as defined under the GEM Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE USE OF PROCEEDS FROM THE DISPOSAL

The Sale Shares were acquired by the Group from Power Financial Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 397) in October 2016. It was the then intention of the Group to expand the portfolio of its businesses. Since the acquisition, the Group's interest in the Disposal Company has been recorded as available-for-sale investment (reclassified as equity investment at fair value through other comprehensive income commencing from 1 January 2018) and the results of the Disposal Group have never been consolidated into the consolidated financial statements of the Group. Given the negative sentiments in the global business environment (amid the Sino-United States trade war, rising trade protectionism, multiplying geopolitical risks in Asia, the Middle East, Europe and Central and South America, as well as the increase in barriers to The Belt and Road Initiative (particularly in the ASEAN countries)) and the resulted growing volatility and uncertainty in the Hong Kong and global financial markets, it is the redefined development strategy of the Group to allocate more resources to the development of its principal businesses. The Directors considered the Disposal an opportunity for the Group to realise its investment in the Disposal Company and obtain proceeds from the Disposal as additional working capital of the Group. The Directors are of the view that the terms of the Sale and Purchase Agreement are fair and

LETTER FROM THE BOARD

reasonable and on normal commercial terms and the entering into of the Sale and Purchase Agreement is in the interests of the Company and its shareholders as a whole.

The Group intends to apply the proceeds from the Disposal for the purpose of general working capital and potential investment opportunities. It is intended that (i) approximately 70% of the proceeds from the Disposal will be allocated for enhancement of the Group's working capital and business development (whereby approximately 50% of which will be appropriated for repayment of liabilities and corporate expenses and the remaining approximately 50% of which will be appropriated for its financial services and the forestry and agricultural businesses); and (ii) the remaining approximately 30% will be applied for potential investment opportunities. Although the Group, as at the Latest Practicable Date, has not identified and negotiated for any potential investment that may utilize the proceeds from the Disposal, it is anticipated that the Group will mainly focus on investment opportunities in Hong Kong and, in particular, whether such investment(s) would have growth potential and possible synergy and/or collaboration with the Group's financial services and the forestry and agricultural businesses will be the major factors for consideration.

The Company intends to deposit any unutilized proceeds from the Disposal in short-term deposits with licensed banks or financial institutions in Hong Kong.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for the Company under the GEM Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

SGM

The SGM will be held at Room 4608, 46th Floor, The Centre, 99 Queen's Road Central, Hong Kong, on Tuesday, 29 January 2019 at 9:30 a.m. for the Shareholders to consider and, if thought fit, pass the ordinary resolution(s) to approve the Disposal. The resolution(s) approving the Disposal will be conducted by way of a poll at the SGM and an announcement on the results of the SGM will be made by the Company after the SGM.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal. Accordingly, no Shareholder is required to abstain from voting at the SGM in respect of the resolution approving the Disposal.

The notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular.

For determining the entitlement of the Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 24 January 2019 to Tuesday, 29 January 2019 (both days inclusive) during which period no transfer of the Shares will be

LETTER FROM THE BOARD

registered. In order to be qualified for entitlement to attend and vote at the SGM, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd., Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 23 January 2019.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the principal place of business of the Company at 36th Floor, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong and/or the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed revoked.

RECOMMENDATION

The Directors consider that the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions thereunder.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
IR Resources Limited
Chan Ching Hang
Chairman

UNAUDITED FINANCIAL INFORMATION OF THE GROUP

Set out below are the unaudited financial information of the Group comprising the consolidated statements of financial position of the Group as at 31 December 2015, 2016 and 2017 and 30 June 2018, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows of the Group for the years ended 31 December 2015, 2016 and 2017 and for the six months ended 30 June 2017 and 2018 and prepared pursuant to GEM Listing Rule 19.68(2)(a)(i)(B), which have been reviewed by the Company's auditor, Ascenda Cachet CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

A. FINANCIAL INFORMATION OF THE GROUP

Consolidated Statements of Profit or Loss

	Notes	Years ended 31 December			Six months ended 30 June	
		2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	2017 HK\$'000	2018 HK\$'000
Continuing operations:						
Revenue		38,914	45,482	37,183	12,694	12,419
Cost of sales		(28,096)	(39,509)	(29,916)	(10,690)	(9,574)
Gross profit		10,818	5,973	7,267	2,004	2,845
Other income & gains		653	5,260	1,825	5	856
Selling & distribution expenses		-	-	(1,450)	(141)	(281)
Administrative expenses		(15,310)	(55,812)	(44,764)	(17,703)	(21,729)
Finance costs		(29,162)	(14,186)	(1,432)	(394)	(1,871)
Fair value loss on equity investments at fair value through profit or loss		-	-	(132)	(6,991)	(666)
Loss on disposal of equity investments at fair value through profit or loss, net		-	-	(7,689)	-	-
Impairment loss on trade receivables		-	(4,717)	(88)	-	-
Impairment loss on intangible assets		-	(265,590)	(41,574)	-	-
Impairment loss on property, plant & equipment		-	-	(16,789)	-	-
Impairment loss on available-for-sale investments	3	-	-	(6,814)	-	-
Share of loss of an associates		-	(4)	(3,906)	(1)	(2,344)
Loss before tax from continuing operations		(33,001)	(329,076)	(115,546)	(23,221)	(23,190)
Income tax		(1,693)	(1,384)	(314)	(213)	(274)
Loss for the year/period from continuing operations		(34,694)	(330,460)	(115,860)	(23,434)	(23,464)

	Years ended 31 December			Six months ended	
	2015	2016	2017	30 June 2017	2018
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Discontinued operation:					
Loss for the year/period from a discontinued operation:					
Share of loss of associates	(3)	-	-	-	-
Loss on disposal of associates	(386)	-	-	-	-
	<u>(389)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the year/period from discontinued operation	(389)	-	-	-	-
	<u>(389)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the year/period	(35,083)	(330,460)	(115,860)	(23,434)	(23,464)
	<u>(35,083)</u>	<u>(330,460)</u>	<u>(115,860)</u>	<u>(23,434)</u>	<u>(23,464)</u>
Loss attributable to:					
Ordinary equity holders of the Company	(35,083)	(317,743)	(103,347)	(21,235)	(21,475)
Non-controlling interests	-	(12,717)	(12,513)	(2,199)	(1,989)
	<u>-</u>	<u>(12,717)</u>	<u>(12,513)</u>	<u>(2,199)</u>	<u>(1,989)</u>
	<u>(35,083)</u>	<u>(330,460)</u>	<u>(115,860)</u>	<u>(23,434)</u>	<u>(23,464)</u>

Consolidated Statements of Comprehensive Income

	Years ended 31 December			Six months ended 30 June	
	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	2017 HK\$'000	2018 HK\$'000
Loss for the year/period	(35,083)	(330,460)	(115,860)	(23,434)	(23,464)
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Revaluation of unlisted equity investment at fair value through other comprehensive income (non-recycling)	-	-	-	-	(9,684)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Release of fair value reserve relating to debt investment at fair value through other comprehensive income (recycling)	-	-	-	-	(291)
Exchange differences on translation of foreign operations	(393)	277	(383)	(103)	94
Exchange fluctuation reserve realised upon disposal of associates	390	-	-	-	-
Fair value gain on available-for-sale investments	-	-	291	-	-
Less: Income tax effect	-	-	-	-	-
Other comprehensive income for the year/period, net of tax	(3)	277	(92)	(103)	(9,881)
Total comprehensive income for the year/period	(35,086)	(330,183)	(115,952)	(23,537)	(33,345)
Attributable to:					
Ordinary equity holders of the Company	(35,086)	(317,466)	(103,439)	(21,338)	(31,356)
Non-controlling interests	-	(12,717)	(12,513)	(2,199)	(1,989)
	(35,086)	(330,183)	(115,952)	(23,537)	(33,345)

Consolidated Statements of Financial Position

	Notes	As at 31 December			As at
		2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	30 June 2018 HK\$'000
Non-current assets					
Property, plant and equipment		14,600	22,736	6,077	5,827
Intangible assets		307,164	41,574	500	500
Goodwill		–	–	3,522	3,522
Interests in associates		–	4	11,623	9,363
Available-for-sale investments	3	–	30,500	44,424	–
Equity investment at fair value through other comprehensive income	4	–	–	–	25,625
Total non-current assets		321,764	94,814	66,146	44,837
Current assets					
Inventories		–	1,674	609	402
Trade receivables		13,983	887	10,989	20,233
Equity investments at fair value through profit or loss		–	–	1,980	1,314
Prepayments, deposits and other receivables		4,592	4,642	10,766	12,334
Cash held on behalf of customers		–	–	564	720
Cash & bank balances		4,246	86,406	56,852	30,373
Total current assets		22,821	93,609	81,760	65,376
Current liabilities					
Trade payables		6,107	742	238	1,963
Other loan, other payables and accruals		157,746	49,391	34,743	33,167
Derivative financial instrument		–	–	913	913
Other borrowing		–	–	8,000	8,000
Convertible bond	5	–	–	13,525	–
Tax payables		1,884	3,264	3,875	3,519
Total current liabilities		165,737	53,397	61,294	47,562
Net current assets/(liabilities)		(142,916)	40,212	20,466	17,814
Total assets less current liabilities		178,848	135,026	86,612	62,651

	<i>Notes</i>	As at 31 December			As at
		2015 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	30 June 2018 <i>HK\$'000</i>
Non-current liability					
Other loan		–	–	16,225	17,923
Total non-current liability		–	–	16,225	17,923
Net assets		178,848	135,026	70,387	44,728
Equity					
Share capital		131,198	34,637	41,563	41,563
Reserves		47,650	96,385	21,520	(2,150)
Total equity attributable to: Ordinary equity holders of the Company		178,848	131,022	63,083	39,413
Non-controlling interests		–	4,004	7,304	5,315
Total equity		178,848	135,026	70,387	44,728

Consolidated Statements of Changes in Equity

	Attributable to equity holders of the Company													
	Share capital HK\$'000	Share premium HK\$'000	Contributed Surplus HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Equity component of convertible bond HK\$'000	Available-for-sale investments revaluation reserve HK\$'000	Fair value reserve (recycling) HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2015	131,198	972,987	5,265	-	-	-	-	-	-	(559)	(894,957)	213,934	(3)	213,931
Loss for the year	-	-	-	-	-	-	-	-	-	-	(35,083)	(35,083)	-	(35,083)
Other comprehensive income for the year, net of tax:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(393)	-	(393)	-	(393)
Exchange fluctuation reserve realised upon disposal of associates	-	-	-	-	-	-	-	-	-	390	-	390	-	390
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	(3)	(35,083)	(35,086)	-	(35,086)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	3	3
At 31 December 2015	131,198	972,987	5,265	-	-	-	-	-	-	(562)	(930,040)	178,848	-	178,848

Attributable to equity holders of the Company														
	Share capital HK\$'000	Share premium HK\$'000	Contributed Surplus HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Equity component of convertible bond HK\$'000	Available-for-sale investments revaluation reserve HK\$'000	Fair value reserve (recycling) HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2016	131,198	972,987	5,265	-	-	-	-	-	-	(562)	(930,040)	178,848	-	178,848
Loss for the year	-	-	-	-	-	-	-	-	-	-	(317,743)	(317,743)	(12,717)	(330,460)
Other comprehensive income for the year, net of tax:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	277	-	277	-	277
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	277	(317,743)	(317,466)	(12,717)	(330,185)
Loss on restructuring	-	-	-	(9,889)	-	-	-	-	-	-	-	(9,889)	16,721	6,832
Capital reorganisation	(128,574)	(972,987)	(5,265)	-	-	-	-	-	-	-	1,106,826	-	-	-
Right issue of shares	26,240	230,061	-	-	-	-	-	-	-	-	-	256,301	-	256,301
Placing of shares	5,773	15,439	-	-	-	-	-	-	-	-	-	21,212	-	21,212
Equity-settled share option arrangement	-	-	-	-	2,016	-	-	-	-	-	-	2,016	-	2,016
At 31 December 2016	34,637	245,500	-	(9,889)	2,016	-	-	-	-	(285)	(140,957)	131,022	4,004	135,026

Attributable to equity holders of the Company														
	Share capital HK\$'000	Share premium HK\$'000	Share Contributed Surplus HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Equity component of convertible bond HK\$'000	Available-for-sale investments revaluation reserve HK\$'000	Fair value reserve (recycling) HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2017	34,637	245,500	-	(9,889)	2,016	-	-	-	-	(285)	(140,957)	131,022	4,004	135,026
Loss for the year	-	-	-	-	-	-	-	-	-	-	(103,347)	(103,347)	(12,513)	(115,860)
Other comprehensive income for the year, net of tax:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(383)	-	(383)	-	(383)
Fair value gain on available-for-sale investments	-	-	-	-	-	-	291	-	-	-	-	291	-	291
Total comprehensive income for the year	-	-	-	-	-	-	291	-	-	(383)	(103,347)	(103,439)	(12,513)	(115,952)
Placing of shares	6,926	19,713	-	-	-	-	-	-	-	-	-	26,639	-	26,639
Equity-settled share option arrangement	-	-	-	-	4,930	-	-	-	-	-	-	4,930	-	4,930
Cancellation of share option	-	-	-	-	(2,016)	-	-	-	-	-	2,016	-	-	-
Issue of convertible bond	-	-	-	-	-	3,931	-	-	-	-	-	3,931	-	3,931
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	15,813	15,813
At 31 December 2017	41,563	265,213	-	(9,889)	4,930	3,931	291	-	-	(668)	(242,288)	63,083	7,304	70,387

Attributable to equity holders of the Company														
	Share capital HK\$'000	Share premium HK\$'000	Contributed Surplus HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Equity component of convertible bond HK\$'000	Available-for-sale investments revaluation reserve HK\$'000	Fair value reserve (recycling) HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2018	41,563	265,213	-	(9,889)	4,930	3,931	291	-	-	(668)	(242,288)	63,083	7,304	70,387
Reclassification upon initial application of HKFRS 9 (Note 2.2)	-	-	-	-	-	-	(291)	291	-	-	-	-	-	-
Revaluation upon initial application of HKFRS 9 (Note 2.2)	-	-	-	-	-	-	-	-	8,038	-	-	8,038	-	8,038
Restated balance as at 1 January 2018	41,563	265,213	-	(9,889)	4,930	3,931	-	291	8,038	(668)	(242,288)	71,121	7,304	78,425
Loss for the period	-	-	-	-	-	-	-	-	-	-	(21,475)	(21,475)	(1,989)	(23,464)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:														
Revaluation of unlisted equity interest at fair value through other comprehensive income (non-recycling) (Note 4)	-	-	-	-	-	-	-	-	(9,684)	-	-	(9,684)	-	(9,684)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:														
Release of fair value reserve relating to debt instrument at fair value through other comprehensive income (recycling)	-	-	-	-	-	-	-	(291)	-	-	-	(291)	-	(291)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	94	-	94	-	94
Total comprehensive income for the period	-	-	-	-	-	-	-	(291)	(9,684)	94	(21,475)	(31,356)	(1,989)	(33,345)
Redemption of convertible bond	-	-	-	-	-	(3,931)	-	-	-	-	3,579	(352)	-	(352)
At 30 June 2018	41,563	265,213	-	(9,889)	4,930	-	-	-	(1,646)	(574)	(260,184)	39,413	5,315	44,728

Attributable to equity holders of the Company														
	Share capital HK\$'000	Share premium HK\$'000	Contributed Surplus HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Equity component of convertible bond HK\$'000	Available-for-sale investments revaluation reserve HK\$'000	Fair value reserve (recycling) HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2017	34,637	245,500	-	(9,889)	2,016	-	-	-	-	(285)	(140,957)	131,022	4,004	135,026
Loss for the period	-	-	-	-	-	-	-	-	-	-	(21,235)	(21,235)	(2,199)	(23,434)
Other comprehensive income for the period, net of tax:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(103)	-	(103)	-	(103)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(103)	(21,235)	(21,338)	(2,199)	(23,537)
Placing of shares	6,926	19,713	-	-	-	-	-	-	-	-	-	26,639	-	26,639
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	15,813	15,813
At 30 June 2017	41,563	265,213	-	(9,889)	2,016	-	-	-	-	(388)	(162,192)	136,323	17,618	153,941

Consolidated Statements of Cash Flows

	Years ended 31 December			Six months ended	
	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	30 June 2017 HK\$'000	2018 HK\$'000
Cash flows from operating activities					
Loss before tax					
From continuing operations	(33,001)	(329,076)	(115,546)	(23,221)	(23,190)
From discontinued operations	(389)	–	–	–	–
Adjustments for:					
Depreciation	2,843	1,736	3,324	1,390	758
Loss on disposal of associates	386	–	–	–	–
Finance cost	29,162	14,186	1,432	394	1,871
Loss on disposal of equity investments at fair value through profit or loss	–	–	7,689	–	–
Fair value loss on equity investments at fair value through profit or loss	–	–	132	6,991	666
Share of loss of associates	3	4	3,906	1	2,344
Impairment loss on property, plant and equipment	–	–	16,789	–	–
Loss on disposal of property, plant and equipment	–	–	10	–	–
Loss on disposal of debt investment at fair value through other comprehensive income	–	–	–	–	380
Gain on redemption of convertible bond	–	–	–	–	(461)
Write-off of other receivables	–	39	–	–	–
Impairment loss on trade receivables	–	4,717	88	–	(88)
Impairment loss on intangible assets	–	265,590	41,574	–	–
Impairment loss on available-for-sale investments	–	–	6,814	–	–
Write-down of inventories to net realisable value	–	–	1,814	–	–
Equity settled share option expenses	–	2,016	4,930	–	–
Write back of other payables & accruals	–	(3,229)	–	–	–
Fair value gain on other loan	–	–	(1,113)	–	–
Dividend income from available-for-sale investments	–	–	(684)	–	(412)
Loan & bank interest income	–	(38)	(515)	(313)	(509)
	(996)	(44,055)	(29,356)	(14,758)	(18,641)
(Increase)/decrease in inventories	–	(1,674)	(749)	(448)	207
(Increase)/decrease in trade receivables	(13,983)	8,366	(6,278)	(4,123)	(9,156)
Decrease/(increase) in prepayments, deposits and other receivables	116	(110)	217	(2,497)	(1,678)
Increase/(decrease) in trade payables	6,107	(5,354)	(504)	441	1,725
Increase in equity instruments at fair value through profit or loss	–	–	(9,801)	–	–
Increase/(decrease) in other payables and accruals	(9,322)	3,895	(2,603)	(3,914)	(415)
Cash used in operating activities	(18,078)	(38,932)	(49,074)	(25,299)	(27,958)
Interest paid	–	(231)	–	–	(1,534)
Overseas tax paid	–	–	(41)	–	(626)
Net cash flows used in operating activities	(18,078)	(39,163)	(49,115)	(25,299)	(30,118)

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	Years ended 31 December			Six months ended	
	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	30 June 2017 HK\$'000	2018 HK\$'000
Cash flows from investing activities					
Additions of property, plant and equipment	(21)	(9,872)	(393)	(156)	(508)
Proceeds from the disposal of property, plant and equipment	–	–	28	–	–
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	–	–	(10,281)	(10,281)	–
Loan to an available-for-sale investment	–	–	(13,585)	(13,585)	–
Loan to a third party	–	–	–	(10,000)	–
Proceeds from disposal of available-for-sale investments	–	–	8,043	–	–
Purchases of available-for-sale investments	–	(30,500)	–	(9,451)	–
Purchase of convertible bond	–	–	(4,001)	–	–
Proceeds from disposal of debt investment at fair value through other comprehensive income	–	–	–	–	16,482
Proceeds from the redemption of convertible bond	–	–	–	–	(14,502)
Net cash inflow from the partial disposal of subsidiaries	95	–	–	–	–
Net cash inflow from the disposal of associates	2,500	–	–	–	–
Investment in an associate	–	–	–	(7,360)	–
Increase in amount due from an associate	–	–	(15,525)	–	–
Interest received	–	38	515	–	509
Dividend income from available-for-sale investments	–	–	684	–	412
Net cash flows from/(used in) investing activities	2,574	(40,334)	(34,515)	(50,833)	2,393
Cash flows from financing activities					
Increase in amount due to related parties	5,962	–	–	–	–
New other loans obtained from a related party	11,500	–	–	–	–
Proceeds from other loan	–	20,644	2,399	1,181	1,698
Cash contribution by non-controlling interests	–	14	–	–	–
Proceeds from issuing convertible bond	–	–	18,001	–	–
Proceeds from right issue	–	256,301	–	–	–
Proceeds from placing	–	21,212	26,639	26,639	–
Proceeds from other loan	–	–	8,000	8,000	–
Repayment of loans	–	(62,287)	–	–	–
Loan interest paid	–	(74,504)	(16)	(394)	(337)
Net cash flows from financing activities	17,462	161,380	55,023	35,426	1,361
Net increase/(decrease) in cash and cash equivalents	1,958	81,883	(28,607)	(40,706)	(26,364)
Cash and cash equivalents at beginning of year/period	2,288	4,246	86,406	84,406	57,416
Effect of foreign exchange rate changes	–	277	(383)	(87)	41
Cash and cash equivalents at end of year/period	4,246	86,406	57,416	43,613	31,093
Analysis of cash and cash equivalents:					
Cash held on behalf of customers	–	–	564	–	720
Cash and bank balances	4,246	86,406	56,852	43,613	30,373
	4,246	86,406	57,416	43,613	31,093

B. NOTES TO THE FINANCIAL INFORMATION OF THE GROUP**1. CORPORATE INFORMATION**

IR 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.

The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) is principally engaged in (i) the forestry and agricultural business; (ii) the financial services business; (iii) the cultural business; and (iv) the logistics business.

2.1 BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Group (the “Unaudited Financial Information”) has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the proposed disposal of 6,224 issued ordinary shares (approximately 17.5% of equity interest) of Jun Yang Energy Holdings Limited (formerly known as “Jun Yang Solar Power Investment Holdings Limited”) (the “Disposal Company”) together with its subsidiaries (collectively the “Disposal Group”) and the assignment of the shareholder loan (the “Shareholder Loan”) outstanding and owing to the Group by the Disposal Company (the “Proposed Disposal”) in accordance with paragraph 19.68(2)(a)(i)(B) of The Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The Unaudited Financial Information comprising the consolidated statements of financial position of the Group as at 31 December 2015, 2016 and 2017 and 30 June 2018, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years ended 31 December 2015, 2016 and 2017 and for the six months ended 30 June 2017 and 2018 and certain explanatory notes regarding the Disposal Group, has been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Further details are set out in note 2.2 below.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised), “Presentation of Financial Statements”, nor an interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA.

The Unaudited Financial Information has been prepared on the historical cost basis, except for available-for-sale investments, equity investment at fair value through other comprehensive income and equity investments at fair value through profit or loss which are measured at fair value. The Unaudited Financial Information has been prepared in accordance with all applicable “HKFRSs”, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretation issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The Unaudited Financial Information also complies with the applicable disclosure provisions of the GEM Listing Rules. The Unaudited Financial Information is presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2.2 ADOPTION AND REVISED HONG KONG FINANCIAL REPORTING STANDARD

The Unaudited Financial Information has been prepared in accordance with HKFRSs, which comprises all standards and interpretations approved by the HKICPA. All HKFRSs effective for the accounting period commencing from 1 January 2018, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Unaudited Financial Information for the Relevant Periods, except that HKFRS 9 Financial Instruments (“HKFRS 9”) is adopted by the Group from 1 January 2018 as the standard does not allow the use of hindsight if it is adopted retrospectively.

The Group has not restated financial information from 1 January 2015 to 31 December 2017 for the financial instruments in the scope of HKFRS 9. The financial information from 1 January 2015 to 31 December 2017 is reported under HKAS 39 Financial Instruments: Recognition and Measurement (“HKAS 39”) and is not comparable to the information presented for 2018.

The principal effects of HKFRS 9 are as follows:

HKFRS 9 Financial Instruments

HKFRS 9 brings together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

Changes to classification and measurement

To determine their classification and measurement category, HKFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity’s business model for managing the assets and the instruments’ contractual cash flow characteristics.

The HKAS 39 measurement categories of financial assets, including financial assets at fair value through profit or loss (“FVPL”), available-for-sale (“AFS”) financial investments, held-to-maturity investments and loans and receivables have been replaced by:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (“FVOCI”), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition; and
- Financial assets at FVPL

The accounting for financial liabilities remains largely the same as it was under HKAS 39, except for the treatment of gains or losses arising from an entity’s own credit risk relating to liabilities designated as at FVPL. Such movements are presented in other comprehensive income with no subsequent reclassification to profit or loss.

The effect of adoption of HKFRS 9 is as follows:

Consolidated statement of financial position (extract)	Impact on the statement of financial position (increase/(decrease)) as at 1 January 2018			
	31 December 2017 as originally presented <i>HK\$'000</i>	Reclassification on adoption of HKFRS 9 <i>HK\$'000</i>	Fair value adjustment at initial adoption of HKFRS 9 <i>HK\$'000</i>	1 January 2018 restated <i>HK\$'000</i>
Non-current assets:				
Available-for-sale investments	44,424	(44,424)	–	–
Equity investment at fair value through other comprehensive income	–	27,271	8,038	35,309
Debt investment at fair value through other comprehensive income	–	17,153	–	17,153
Total non-current assets	44,424	–	8,038	52,462
Reserves:				
Available-for-sale investments revaluation reserve	(291)	291	–	–
Fair value reserve (non-recycling)	–	(291)	(8,038)	(8,329)
	(291)	–	(8,038)	(8,329)

Classification and measurement

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred approach with a forward-looking expected credit loss ("ECL") approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. The ECL allowances are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate ("EIR").

The Group has not recognised additional impairment loss allowance upon the initial recognition of HKFRS 9 on 1 January 2018 as the amounts involved are insignificant.

3. AVAILABLE-FOR-SALE INVESTMENTS

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Disposal Group (<i>Note (a)</i>)	–	20,500	27,271	–
Unlisted income fund	–	10,000	17,153	–
	–	30,500	44,424	–

Note:

(a) Information of the Disposal Group

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unlisted equity interest	–	20,500	20,500	–
Shareholder Loan	–	–	13,585	–
	–	20,500	34,085	–
Impairment	–	–	(6,814)	–
Carrying amount	–	20,500	27,271	–

On 13 October 2016, the Group entered into a sale and purchase agreement (the “Initial Acquisition Agreement”) with Jun Yang Financial Holdings Limited, pursuant to which, the Group acquired 17.5% equity interest in the Disposal Group at a cash consideration of HK\$20,500,000. The Disposal Group was principally engaged in the solar energy business. As the Group did not have significant influence over the Disposal Group, such equity investment was accounted for as available-for-sale investments.

On 22 February 2017, the Group entered into a loan agreement with the Disposal Group, to provide the Shareholder Loan of US\$1,750,000 (equivalent to HK\$13,585,000) to the Disposal Group. The Shareholder Loan is unsecured, interest-free and is repayable upon demand subject to the consent of all shareholders of the Disposal Company. The Directors considered that the Shareholder Loan forms part of a long term investment in the Disposal Group and therefore, the Shareholder Loan was accounted for as available-for-sale investments forming part of the Group’s investment in the Disposal Company as at 31 December 2017.

Impairment assessment of available-for-sale investments

As at 31 December 2017, the recoverable amounts of the investment in the Disposal Group and the Shareholder Loan were determined by the Directors with reference to net asset value of the Disposal Group as at 31 December 2017. During the second half of 2017, a power plant of the Disposal Group was relocated to a new site and certain plant and equipment of such power plant were disposed of and impaired resulting in a reduction on the net asset value of the Disposal Group. Accordingly, the net asset value of the Disposal Group had been reduced and an impairment loss of HK\$6,814,000 on the investment in the Disposal Group was made by the Group for the year ended 31 December 2017.

As at 31 December 2016 and 2017, the amount was stated at cost less impairment because the range of reasonable fair value estimate is so significant that the directors of the Company are of opinion that the fair value cannot be measured reliably.

As detailed in note 2.2 to the Unaudited Financial Information, upon the adoption of HKFRS 9, the interest in the Disposal Group was reclassified from available-for-sale investments as follows:

	2018 <i>HK\$'000</i>
As at 1 January	27,271
Reclassified to equity investments at FVOCI upon adoption of HKFRS 9 (<i>note 4</i>)	<u>(27,271)</u>
Restated balance as at 1 January	<u><u>–</u></u>

4. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December		As at 30 June	
	2015	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity investment at FVOCI:				
– Interest in the Disposal Group	–	–	–	12,040
– Shareholder Loan	–	–	–	<u>13,585</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u><u>25,625</u></u>

The Group has elected the option to irrevocably designated some of its previous available-for-sale investments as equity investment at FVOCI as at 1 January 2018 on the basis that they are not held for trading.

The movements of the equity investment at FVOCI are as follows:

	<i>HK\$'000</i>
As at 31 December 2017	–
Reclassified from available-for-sale investments upon adoption of HKFRS 9 (<i>note 3</i>)	27,271
Fair value adjustment at initial adoption of HKFRS 9 as at 1 January 2018	<u>8,038</u>
Restated balance as at 1 January 2018	35,309
Net change in fair value of equity investment at FVOCI	<u>(9,684)</u>
As at 30 June 2018	<u><u>25,625</u></u>

The Directors engaged Flagship Appraisals and Consulting Limited, the independent professional valuer (the “Valuer”), to determine the fair value of the interest in the Disposal Group as at 1 January 2018 (being the date of initial adoption of HKFRS 9) and 30 June 2018.

Based on the valuation report dated 14 August 2018 (the “Valuation Report”), the fair values of the interest in the Disposal Group (excluding the Shareholder Loan) as at 1 January 2018 and 30 June 2018 are approximately HK\$21,724,000 and HK\$12,040,000, respectively, under the market approach.

5. CONVERTIBLE BOND

The unsecured convertible bond with principal amount of approximately HK\$18 million, which bears an interest rate of 1% per annum and matures in 2019, had been redeemed and held by the trustee of the Company's share award scheme, pending for the allocation to the eligible grantees as at 30 June 2018.

6. THE DISPOSAL EVENT AFTER THE REPORTING PERIOD

On 27 November 2018, a wholly-owned subsidiary of the Company (the "Vendor"), a company wholly-owned by a director of the Disposal Company (the "Purchaser") and the sole ultimate beneficial owner of the Purchaser (the "Guarantor") entered into the sale and purchase agreement (the "Sale and Purchase Agreement") in respect of the Proposed Disposal at a cash consideration (the "Consideration") of HK\$24,050,000.

The Proposed Disposal has not yet been completed at the date of this report and is subject to the satisfaction of the certain conditions precedent, including the passing of an ordinary resolution by the shareholders of the Company at a special general meeting to approve the Sale and Purchase Agreement and the Proposed Disposal.

C. ACCOUNTANTS' REPORT OF THE GROUP

The following is the text of a report prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Ascenda Cachet CPA Limited. Capitalised terms defined herein apply to this report only.



13F, Neich Tower, 128 Gloucester Road,
Wanchai, Hong Kong
香港灣仔告士打道128號祥豐大廈13F座

REVIEW REPORT ON UNAUDITED FINANCIAL INFORMATION OF THE GROUP

To the Board of Directors of IR Resources Limited

Introduction

We have reviewed the unaudited financial information (the “**Financial Information**”) set out on pages I-1 to I-18 which comprises the consolidated statements of financial position of IR Resources Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 31 December 2015, 2016 and 2017 and 30 June 2018 and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flow for each of the years ended 31 December 2015, 2016 and 2017 and for the six months ended 30 June 2017 and 2018 (the “**Relevant Periods**”), and certain explanatory notes. The Financial Information has been prepared solely for the purpose of inclusion in this circular to be issued by the Company in connection with the proposed disposal of 6,224 issued ordinary shares (approximately 17.5% of equity interest) of Jun Yang Energy Holdings Limited (formerly known as “Jun Yang Solar Power Investment Holdings Limited”) (the “**Disposal Company**”) together with its subsidiaries and associates (collectively the “**Disposal Group**”) and the assignment of the shareholder loan outstanding and owing to the Group by the Disposal Company (the “**Proposed Disposal**”).

The directors of the Company (the “**Directors**”) are responsible for the preparation and presentation of the Financial Information in accordance with the basis of preparation set out in note 2.1 to the Financial Information and paragraph 19.68(2)(a)(i)(B) of The Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rule**”). The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error. The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “*Presentation of Financial Statements*” or an interim financial report as defined in Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued

by Hong Kong Institute of Certified Accountants (the “**HKICPA**”). Our responsibility is to form a conclusion, based on our review, on the Financial Information and to report our conclusion solely to you, as a body, in accordance with your agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400, “Engagements to Review Historical Financial Statements” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the HKICPA. A review of the Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Unaudited Financial Information.

Ascenda Cachet CPA Limited

Certified Public Accountants

Hong Kong

Chan Yuk Tong

Practicing Certificate Number P03723

9 January 2019

D. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2018, being the latest practicable date for the purpose of preparing this statement of indebtedness of this circular, the Group has the following outstanding indebtedness:

Borrowings

1. Unsecured loan from a third party with principal amount of HK\$8 million which bears an interest rate of 8.5% per annum and is repayable in 2019.
2. Unsecured and interest-free working capital loan provided by a shareholder of the forestry and agricultural business with a principal amount of approximately HK\$22,763,000 is repayable in 2026. As at 30 November 2018, the present value of such loan is approximately HK\$15,996,000.

Debt securities

As at 30 November 2018, the Group did not have any debt securities.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 November 2018.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 November 2018.

E. WORKING CAPITAL

After taking into account the effect of the Disposal and the present financial resources available to the Remaining Group (including internally generated revenue, funds and other available banking facilities), the Directors believe that the Remaining Group shall have sufficient working capital to meet its requirements for at least 12 months from the date of this circular in the absence(s) of any unforeseen circumstance.

F. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

G. MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

The principal businesses of the Remaining Group will remain as (i) the forestry and agricultural business; (ii) the financial services business; (iii) the cultural business; and (iv) the logistics business.

The following is a summary of the financial information and management discussion and analysis of the Remaining Group for the three years ended 31 December 2015, 2016 and 2017 and the six months ended 30 June 2018 derived from the relevant annual reports and interim report of the Company:

Financial and business review

The forestry and agricultural business is the principal business of the Remaining Group for the year ended 31 December 2015. During the year, the Remaining Group recorded consolidated revenue and loss after taxation of HK\$38.9 million and HK\$35.1 million respectively. As at 31 December 2015, the total assets of the Remaining Group amounted to HK\$344.6 million.

For the year ended 31 December 2016, the Remaining Group's revenue was mainly derived from the forestry and agricultural business (which recorded revenue of HK\$37.9 million and segment loss of HK\$282.2 million) and the logistics business (which recorded revenue of HK\$7.6 million and segment profit of HK\$0.4 million). The segment loss of the forestry and agricultural business for the year was mainly due to the impairment loss on intangible assets as a result of the decrease in the estimated future selling price of the products derived therefrom. As at 31 December 2016, the segment assets of the forestry and agricultural business and the logistics business amounted to HK\$69.5 million and HK\$12.1 million respectively.

For the year ended 31 December 2017, the forestry and agricultural business, the financial services business and the cultural business of the Remaining Group recorded (i) revenue of HK\$24.3 million, HK\$2.5 million and HK\$10.4 million respectively; and (ii) segment loss of HK\$63.8 million and HK\$3.9 million and segment profit of HK\$0.4 million respectively. During the year, the logistics business did not generate any revenue and recorded segment loss of HK\$0.4 million. As at 31 December 2017, each of the forestry and agricultural business, the financial services business, the logistics business and the cultural business had segment assets of HK\$10.9 million, HK\$39.3 million, HK\$9.0 million and HK\$7.3 million respectively.

For the six months ended 30 June 2018, the forestry and agricultural business and the financial services business of the Remaining Group recorded (i) revenue of HK\$11.2 million and HK\$1.3 million respectively; and (ii) segment loss of HK\$3.8 million and HK\$3.2 million respectively. As the then projects under the cultural business had been completed in 2017 and new contracts were yet to be entered into, this business segment did not generate any revenue and recorded segment loss of HK\$1.2 million during the period. The logistics business also did not record any revenue or profit during the period. However, the Company has not discontinued its cultural and logistics businesses. As at 30 June 2018, each of the forestry and agricultural business, the financial services business and the cultural business had segment assets of HK\$15.3 million, HK\$25.9 million, HK\$3.2 million respectively.

Financial and trading prospects of the Remaining Group

As described above, the principal businesses of the Remaining Group will continue to comprise the forestry and agricultural business, the financial services business, the cultural business and the logistics business. Taking into consideration the negative sentiments in the global business environment (amid the Sino-United States trade war, the rising trade protectionism, multiplying geopolitical risks in Asia, the Middle East, Europe and South and Central America, as well as the increase in the barriers to The Belt and Road Initiative (particularly in ASEAN countries)) and the resulted volatility and uncertainty in the Hong Kong and global financial markets, it is expected that the development strategy of the Remaining Group will be based on organic growth in the near future. However, the Group will continue to monitor and observe the business performance and financial condition of its principal businesses from time to time and seek investment/business opportunities with growth potential and possible synergy and/or collaboration with the Group's financial services and forestry and agricultural business and/or adjust the development strategies as and when appropriate.

Liquidity and financial resources

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix II to this circular, as at 30 June 2018, the Remaining Group had current assets of HK\$89.4 million (of which HK\$54.4 million was cash and bank balances) and current liabilities of HK\$48.2 million. The Company intends to finance the future operations, capital expenditure and other capital requirements of the Remaining Group with its internal financial resources.

Gearing ratio

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix II to this circular, as at 30 June 2018, the Remaining Group had total assets of HK\$108.6 million and total liabilities of HK\$66.1 million. Therefore, the gearing ratio of the Remaining Group (calculated as a percentage of the Group's total liabilities to the total assets) as at 30 June 2018 was 60.9%.

Capital structure

As at the Latest Practicable Date, the Company had 831,261,212 Shares in issue.

Charge on assets

As at the Latest Practicable Date, no assets of the Remaining Group had been pledged.

Material acquisition/disposal of subsidiaries

As at the Latest Practicable Date, the Remaining Group had not made any material acquisition/disposal of subsidiaries.

Employee's information

As at the Latest Practicable Date, the Group had 50 employees. For the six months ended 30 June 2018, the staff cost of the Remaining Group amounted to HK\$10.7 million. The Remaining Group remunerates its employees based on their performance, working experience and the prevailing market condition.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

INTRODUCTION

The accompanying unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows (collectively, the “**Unaudited Pro Forma Financial Information**”) of the Group, excluding the Disposal Group, (the “**Remaining Group**”) have been prepared by the directors of the Company (the “**Directors**”) in accordance with paragraph 31(1) of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited of illustrating the effects on the historical consolidated financial position and consolidated results and cash flows of the Remaining Group upon the completion of the Proposed Disposal.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2018, which has been extracted from the financial information of the Group as at 30 June 2018 in the Appendix I to this Circular; and after taking into account the pro forma adjustments relating to the Proposed Disposal as described in the notes thereto, that are (i) clearly shown and explained; (ii) directly attributable to the Proposed Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Proposed Disposal had been completed on 30 June 2018.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2017, which has been extracted from the published annual report of the Company; and after taking into account the pro forma adjustments relating to the Proposed Disposal as described in the notes thereto; that are (i) clearly shown and explained; (ii) directly attributable to the Proposed Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Proposed Disposal had been completed on 1 January 2017.

The accompanying Unaudited Pro Forma Financial Information of the Remaining Group is prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Remaining Group upon completion of the Proposed Disposal. As the Unaudited Pro Forma Financial Information of the Remaining Group is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position, results of operations and cash flows of the Remaining Group following the completion of the Proposed Disposal and does not purport to describe the actual financial position, results of operations and cash flows of the Remaining Group that would have been attained had the Proposed Disposal been completed on the dates indicated herein. Further, the accompanying Unaudited Pro Forma Financial Information of the Remaining Group does not purport to predict the future financial position, results of operations or cash flows of the Remaining Group after the completion of the Proposed Disposal.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared in accordance with paragraph 31(1) of Chapter 7 and paragraph 68(2)(a)(ii) of Chapter 19 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited. The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the financial information of the Group and the Disposal Group as set out in Appendix I to this Circular and other financial information included elsewhere in the Circular.

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE REMAINING GROUP AS AT 30 JUNE 2018**

	The Group	Pro-forma	The
	<i>HK\$'000</i>	<i>adjustment</i>	Remaining
	Unaudited	Unaudited	Group
		<i>(Note a)</i>	<i>HK\$'000</i>
			Unaudited
NON-CURRENT ASSETS			
Property, plant and equipment	5,827		5,827
Intangible assets	500		500
Goodwill	3,522		3,522
Interests in an associate	9,363		9,363
Equity investment at fair value through other comprehensive income	25,625	(25,625)	–
	44,837		19,212
Total non-current assets	44,837		19,212
CURRENT ASSETS			
Inventories	402		402
Trade receivables	20,233		20,233
Equity investments at fair value through profit or loss	1,314		1,314
Prepayments, deposits and other receivables	12,334		12,334
Cash held on behalf of customers	720		720
Cash and bank balances	30,373	24,050	54,423
	65,376		89,426
Total current assets	65,376		89,426

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group <i>HK\$'000</i> Unaudited	Pro-forma adjustment <i>HK\$'000</i> Unaudited <i>(Note a)</i>	The Remaining Group <i>HK\$'000</i> Unaudited
CURRENT LIABILITIES			
Trade payables	1,963		1,963
Other loan, other payables and accruals	33,167	626	33,793
Derivative financial instrument	913		913
Other borrowing	8,000		8,000
Tax payables	3,519		3,519
	47,562		48,188
Net current assets	17,814		41,238
Total assets less current liabilities	62,651		60,450
NON-CURRENT LIABILITY			
Other loan	17,923		17,923
Total non-current liability	17,923		17,923
Net assets	44,728		42,527
EQUITY			
Share capital	41,563		41,563
Reserves	(2,150)	(2,201)	(4,351)
Total equity attributable to: Ordinary equity holders of the Company	39,413		37,212
Non-controlling interests	5,315		5,315
TOTAL EQUITY	44,728		42,527

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP FOR THE YEAR
ENDED 31 DECEMBER 2017**

	The Group	Pro-forma adjustment	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Audited	Unaudited <i>(Note a)</i>	Unaudited
Revenue	37,183		37,183
Cost of sales and services	<u>(29,916)</u>		<u>(29,916)</u>
Gross profit	7,267		7,267
Other income and gains	1,825		1,825
Selling and distribution expenses	(1,450)		(1,450)
Administrative expenses	(44,764)		(44,764)
Finance costs	(1,432)		(1,432)
Fair value loss on equity investments at fair value through profit or loss	(132)		(132)
Loss on disposal of equity investments at fair value through profit or loss, net	(7,689)		(7,689)
Impairment loss on trade receivables	(88)		(88)
Impairment loss on intangible assets	(41,574)		(41,574)
Impairment loss on property, plant and equipment	(16,789)		(16,789)
Impairment loss on available-for-sale investments	(6,814)		(6,814)
Share of loss of an associate	<u>(3,906)</u>		<u>(3,906)</u>
Loss before tax	(115,546)		(115,546)
Income tax expense	<u>(314)</u>		<u>(314)</u>
Loss for the year	<u>(115,860)</u>		<u>(115,860)</u>

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group <i>HK\$'000</i> Audited	Pro-forma adjustment <i>HK\$'000</i> Unaudited <i>(Note a)</i>	The Remaining Group <i>HK\$'000</i> Unaudited
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations	(383)		(383)
Other comprehensive income not to be classified to profit or loss in subsequent periods:			
Fair value gain on available-for-sale investments	291		291
Loss on the disposal of the Disposal Group	–	(2,201)	(2,201)
Less: Income tax effect	–		–
	<u>–</u>		<u>–</u>
Other comprehensive income for the year, net of tax	<u>(92)</u>		<u>(2,293)</u>
Total comprehensive income for the year	<u><u>(115,952)</u></u>		<u><u>(118,153)</u></u>
<i>Loss attributable to:</i>			
Owners of the parent	(103,347)		(103,347)
Non-controlling interests	(12,513)		(12,513)
	<u>(115,860)</u>		<u>(115,860)</u>
<i>Total comprehensive income attributable to:</i>			
Owners of the parent	(103,439)	(2,201)	(105,640)
Non-controlling interests	(12,513)		(12,513)
	<u>(115,952)</u>		<u>(118,153)</u>

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE
REMAINING GROUP FOR THE YEAR ENDED 31 DECEMBER 2017**

	The Group <i>HK\$'000</i> Audited	Pro-forma adjustment <i>HK\$'000</i> Unaudited <i>(Note a)</i>	The Remaining Group <i>HK\$'000</i> Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(115,546)		(115,546)
Adjustments for:			
Depreciation	3,324		3,324
Finance costs	1,432		1,432
Loss on disposal of equity investments at fair value through profit or loss	7,689		7,689
Fair value loss on equity investments at fair value through profit or loss	132		132
Share of loss of associates	3,906		3,906
Impairment loss on property, plant and equipment	16,789		16,789
Loss on disposal of property, plant and equipment	10		10
Impairment loss on trade receivables	88		88
Impairment loss on intangible assets	41,574		41,574
Impairment loss on available-for-sale investments	6,814		6,814
Write down of inventories to net realisable value	1,814		1,814
Equity settled share option expenses	4,930		4,930
Fair value gain on other loan	(1,113)		(1,113)
Dividend income from available-for-sale investments	(684)		(684)
Loan and bank interest income	(515)		(515)
	(29,356)		(29,356)
Increase in inventories	(749)		(749)
Increase in trade receivables	(6,278)		(6,278)
Decrease in prepayments, deposits and other receivables	217		217
Decrease in trade payables	(504)		(504)
Increase in equity investments at fair value through profit or loss	(9,801)		(9,801)
Decrease in other payables and accruals	(2,603)	626	(1,977)
	(49,074)		(48,448)
Overseas tax paid	(41)		(41)
	(49,115)		(48,489)

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group <i>HK\$'000</i> Audited	Pro-forma adjustment <i>HK\$'000</i> Unaudited <i>(Note a)</i>	The Remaining Group <i>HK\$'000</i> Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of property, plant and equipment	(393)		(393)
Proceeds from the disposal of property, plant and equipment	28		28
Net outflow of cash and cash equivalents in respect of the acquisition of the subsidiaries	(10,281)		(10,281)
Loan to an available-for-sale investment	(13,585)		(13,585)
Proceeds from the disposal of available-for-sale investments	8,043		8,043
Net cash proceeds from the Disposal Group	–	23,424	23,424
Purchases of convertible bond	(4,001)		(4,001)
Increase in amount due from an associate	(15,525)		(15,525)
Interest received	515		515
Dividend income from available-for-sale investments	684		684
	(34,515)		(11,091)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from other loan	2,399		2,399
Proceeds from issue of convertible bond	18,001		18,001
Proceeds from placing	26,639		26,639
Proceeds from other loan	8,000		8,000
Loan interest paid	(16)		(16)
	55,023		55,023

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group <i>HK\$'000</i> Audited	Pro-forma adjustment <i>HK\$'000</i> Unaudited <i>(Note a)</i>	The Remaining Group <i>HK\$'000</i> Unaudited
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,607)		(4,557)
Cash and cash equivalents at beginning of year	86,406		86,406
Effect of foreign exchange rate changes, net	(383)		(383)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>57,416</u>		<u>81,466</u>
Analysis of cash and cash equivalents:			
Cash held on behalf of customers	564		564
Cash and bank balances	56,852	24,050	80,902
	<u>57,416</u>		<u>81,466</u>

Notes:

- (a) The adjustment reflects the estimated loss of HK\$2,201,000 arising from the Proposed Disposal which is based on the cash consideration of HK\$24,050,000 and the estimated expenses to be incurred, and assuming the Proposed Disposal had taken place on 30 June 2018. As the Disposal Group was designated as equity investment at fair value through other comprehensive income, the related loss on disposal of HK\$2,201,000 was recognised in the consolidated statement of other comprehensive income in accordance with HKFRS 9.

The calculation of loss on disposal of the Disposal Group is calculated as follows:

	<i>HK\$'000</i>
Total cash consideration	24,050
Less: the net carrying amount of the Disposal Group classified as	
– Equity investments at fair value through other comprehensive income	(25,625)
– Estimated legal and professional fee and other expenses directly attributable to the Proposed Disposal	<u>(626)</u>
Loss on disposal	<u>(2,201)</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report from the reporting accountants, Ascenda Cachet CPA Limited, prepared for the purpose of incorporation in this circular in respect of the unaudited pro forma financial information of the Remaining Group.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

9 January 2019

The Board of Directors

IR Resources Limited

36/F., Times Tower,
391–407 Jaffe Road,
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of IR Resources Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) excluding the Disposal Group (as defined herein below) (the “**Remaining Group**”) by the directors (the “**Directors**”) of the Company for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2018, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of cash flows for the year ended 31 December 2017, and related notes as set out in Appendix II of the circular (the “**Circular**”) dated 9 January 2019 issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed disposal (the “**Proposed Disposal**”) of approximately 17.5% of equity interest of Jun Yang Energy Holdings Limited (formerly known as “Jun Yang Solar Power Investment Holdings Limited”) (the “**Disposal Company**”) and together with its subsidiaries and associates (collective the “**Disposal Group**”) on the Remaining Group’s consolidated financial position as at 30 June 2018 as if the Proposed Disposal had taken place on 30 June 2018, and the Remaining Group’s consolidated financial performance and cash flows for the year ended 31 December 2017 as if the Proposed Disposal had taken place on 1 January 2017.

As part of this process, information about the Group’s consolidated financial position has been extracted by the Directors from the Group’s financial information for the six months ended 30 June 2018 as set out in Appendix I of the Circular and consolidated financial performance and cash flows has been extracted by the Directors from the Group’s audited financial statements

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

for the year ended 31 December 2017 as set out in the published annual report of the Company dated 22 March 2018.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Disposal as if the Proposed Disposal had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group and the Proposed Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

Ascenda Cachet CPA Limited
Certified Public Accountants
Hong Kong

Chan Yuk Tong
Practicing Certificate Number P03723

A. RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

B. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or was deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Securities Transaction by Directors as set out in Chapter 5 to the GEM Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

Name of Directors	Capacity of Interest	Number of ordinary Shares held	Number of underlying Shares held <i>(Note 1)</i>	Percentage of shareholding in the Company <i>(Note 2)</i>
Mr. Chan Ching Hang	Beneficial Owner	–	8,312,612	1%
Mr. Hong Bingxian	Beneficial Owner	–	831,261	0.1%
Mr. Kenneth Hung	Beneficial Owner	–	831,261	0.1%
Ms. Pang King Sze, Rufina	Beneficial Owner	–	831,261	0.1%

Notes:

1. represents the number of share options granted to the Directors under the share option scheme approved by the Shareholder.
2. based on 831,261,212 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, no other Directors had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352

of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

C. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a director and the chief executive of the Company as disclosed above) had interest in the shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity of interest	Number of ordinary Shares held	Number of underlying Shares held	Percentage of shareholding in the Company (Note)
Million Pacific Holdings Corporation	Corporate owner	163,101,612	–	19.62%

Note: based on 831,261,212 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, the Directors were not aware of any other person other than the Directors or chief executives of the Company who, as at the Latest Practicable Date, had or was deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

D. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the date of this circular, which are or may be material to the Group as a whole:

- (i) the placing agreement dated 8 February 2017 entered into between the Company and Nine Rivers Capital Partners Limited relating to the Company's fund raising of HK\$27.7 million (before expenses) by way of the placing of 138,540,000 new Shares at the placing price of HK\$0.2 per Share;
- (ii) the loan agreement dated 22 February 2017 entered into between the Vendor and the Disposal Company relating to the Shareholder Loan of US\$1.75 million;

- (iii) the subscription agreement dated 20 October 2017 entered into between the Company and a subscriber (an independent third party) relating to the subscription of the convertible bond in the principal amount of HK\$18.0 million which is convertible into 166,060,000 new Shares at the conversion price of HK\$0.1084 per Share;
- (iv) the trust deed dated 9 April 2018 entered into between the Company and the Bank of Communications Trustee Limited relating to the Company's share award scheme; and
- (v) the Sale and Purchase Agreement.

E. INTERESTS IN CONTRACTS AND ARRANGEMENTS

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group, nor had any Director had any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

F. SERVICE CONTRACTS

As at the Latest Practicable Date, there is no service contract or proposed service contract between the Directors and any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

G. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors nor their respective close associates had any business or interest, which competes or may compete with the business of the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

H. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

I. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Ascenda Cachet CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group up to the Latest Practicable Date; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which they respectively appear.

J. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date of the latest published audited financial statements of the Company.

K. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Fung Wing Sang, a member of the Hong Kong Institute of Certified Public Accountants.
- (ii) The compliance officer of the Company is Mr. Chan Ching Hang.
- (iii) The audit committee of the Board (the "**Audit Committee**") is established with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee's primary duties include (i) review of the Group's annual reports and quarterly financial reports and provision of advice and comments thereon to the Board; and (ii) review and supervision of the Group's financial reporting and

internal control procedures. The Audit Committee currently comprises of three independent non-executive Directors, namely, Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Kenneth Hung, and their biographical details are detailed as below:

Ms. Pang King Sze, Rufina, aged 44, has been appointed as an independent non-executive Director since 2014. Ms. Pang has 15 years of experience in the areas of audit, financial management and internal control. She is currently the co-founder and a partner of a certified public accountants firm in Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants and a member of the New Zealand Institute of Chartered Accountants and holds a bachelor's degree in business. Ms. Pang did not hold directorship in any other listed companies in the past three years.

Mr. Hong Bingxian, aged 50, has been appointed as an independent non-executive Director since 2012. Mr. Hong has more than 20 years of experience in production and logistics management. He is the founder and managing director of a manufacturing group in the PRC. Mr. Hong did not hold directorship in any other listed companies in the past three years.

Mr. Kenneth Hung, aged 46, has been appointed as an independent non-executive Director since 2015. Mr. Hung has extensive experience in the entertainment industry in Hong Kong and the PRC. Mr. Hung is presently an executive director of Interactive Entertainment China Cultural Technology Investments Limited and an independent non-executive director of China Demeter Investments Limited and DX.com Holdings Limited, all of whose shares are listed on GEM. Mr. Hung holds a bachelor's degree in science. Save as disclosed above, Mr. Hung did not hold directorship in any other listed companies in the past three years.

- (iv) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is 36th Floor, Times Tower, 391-407, Jaffe Road, Wanchai, Hong Kong.

L. GENERAL

In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

M. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) from 9:00 a.m. to 6:00 p.m. and at the registered office of the Company in Hong Kong at 36th Floor, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong from the date of this circular up to and including the date of SGM:

- (a) the bye-laws of the Company;

- (b) the annual reports of the Company for each of the three years ended 31 December 2015, 2016 and 2017;
- (c) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (d) the review report from Ascenda Cachet CPA Limited, the text of which is set out in Appendix I to this circular;
- (e) the letter from Ascenda Cachet CPA Limited, the text of which is set out in Appendix II to this circular;
- (f) the consent letter referred to in the paragraph headed “Expert’s Consent and Qualification” in this appendix; and
- (g) this circular.

NOTICE OF SGM



IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8186)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of IR Resources Limited (the “Company”) will be held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong on Tuesday, 29 January 2019 at 9:30 a.m., for the purposes of considering and, if thought fit, passing the following ordinary resolutions (with or without modification):

Capitalised terms used in this notice shall have the same meaning of those defined in the circular of the Company dated 9 January 2019 to the Shareholders unless otherwise specified.

ORDINARY RESOLUTIONS

1. “**THAT:** the Sale and Purchase Agreement dated 27 November 2018 entered into among the Vendor, the Purchaser and the Guarantor in respect of the Disposal and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified.”
2. “**THAT:** the Directors be and are hereby authorized to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the above resolution numbered 1.”

For and on behalf of the Board of
IR Resources Limited
Chan Ching Hang
Chairman

Hong Kong, 9 January 2019

NOTICE OF SGM

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal place of

business in Hong Kong:
36th Floor, Times Tower
391–407 Jaffe Road,
Wanchai, Hong Kong

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one proxy or, if he/she/it is a holder of more than one share, more proxies to attend and vote instead of him/her/it. A proxy needs not be a member of the Company.
- (2) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (3) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the principal place of business of the Company at 36th Floor, Times Tower, 391–407, Jaffe Road, Wanchai, Hong Kong and/or the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for holding the meeting.
- (4) Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjournment thereof if he/she/it so desires. If a member attends the meeting after having deposited the form of proxy, his/her/its form of proxy will be deemed revoked.
- (5) For determining the entitlement of the Shareholders of the Company to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 24 January 2019 to Tuesday, 29 January 2019 (both dates inclusive) during which period no transfer of the shares of the Company will be registered. In order to qualify for entitlement to attend and vote at the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd., Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 23 January 2019.