
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, 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 the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

RIGHTS ISSUE ON THE BASIS OF TEN (10) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

Underwriter to the Rights Issue



Convoy Securities Limited

Capitalized terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Friday, 22 April 2016. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 9 May 2016 to Monday, 16 May 2016 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) at or before 4:00 p.m. on Friday, 20 May 2016 (or such later time as the Company and the Underwriters may agree), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 19 May 2016. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 10 to 11 of this Prospectus.

5 May 2016

CHARACTERISTICS OF GEM

GEM is positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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EXPECTED TIMETABLE

| Event | 2016 <i>(Hong Kong time)</i> |
|--|---------------------------------|
| First day of dealing in nil-paid Rights Shares | 9:00 a.m. on Monday, 9 May |
| Last day for splitting nil-paid Rights Shares | 4:30 p.m. on Wednesday, 11 May |
| Last day of dealing in nil-paid Rights Shares | 4:00 p.m. on Monday, 16 May |
| Latest Time for Acceptance | 4:00 p.m. on Thursday, 19 May |
| Latest Time for Termination | 4:00 p.m. on Friday, 20 May |
| Announcement of results of the Rights Issue | Thursday, 26 May |
| Despatch of certificates for the fully-paid Rights Shares (in the form of new share certificates) on or before | Friday, 27 May |
| If the Rights Issue is terminated, refund cheques to be despatched on or before | Friday, 27 May |
| Commencement of dealing in fully-paid Rights Shares | 9:00 a.m. on Monday, 30 May |
| Last day of free exchange of existing certificates for shares of the Company before the Capital Reorganisation into new certificates for Shares. | Thursday, 2 June |

Note:

1. all times and dates in this Prospectus refer to Hong Kong local times and dates.
2. The Latest Time for Acceptance of and payment for the Rights Issue will not take place if there is a tropical cyclone signal number 8 or above, or a “black” rainstorm warning:
 - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Thursday, 19 May 2016. Instead the latest time of acceptance of and payment for the Rights Issue will be extended to 5:00 p.m. on the same business day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 19 May 2016. Instead the latest time of acceptance of and payment for the Rights Issue will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

EXPECTED TIMETABLE

If the latest time for acceptance of and payment for the Rights Issue does not take place on Thursday, 19 May 2016, the dates mentioned in this section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.

3. Dates or times specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be excluded or varied due to additional time required for compliance with the regulatory requirements in Bermuda and/or with any requirements or varied by the Company. Any change to the expected timetable for the Rights Issue will be published as and when appropriate.

DEFINITIONS

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

| | |
|--------------------------|---|
| “Board” | the board of Directors |
| “Capital Reorganisation” | the proposed reorganisation of the share capital of the Company as detailed in the circular of the Company dated 22 March 2016 |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “China Wah Yan” | China Wah Yan Healthcare Limited, a company incorporated in Hong Kong with limited liability and a substantial Shareholder (as defined under the GEM Listing Rules) |
| “Company” | IR Resources Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on The Growth Enterprise Market of the Stock Exchange |
| “Companies Ordinance” | the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong or the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as the case may be |
| “Directors” | the directors of the Company |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities of The Growth Enterprise Market of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | the Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Last Trading Day” | 1 April 2013, being the last trading day prior to the suspension of trading in the Shares |

DEFINITIONS

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|---------------------------------|---|
| “Latest Time for Acceptance” | 4:00 p.m. on Thursday, 19 May 2016, or such other date and time as may be agreed between the Company and the Underwriter, being the latest date for acceptance of, and payment for, the Rights Shares as described in this Prospectus |
| “Latest Time for Termination” | 4:00 p.m. on the Friday, 20 May 2016, or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement |
| “Latest Practicable Date” | 28 April 2016, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus |
| “Ms. Yu” | Ms. Yu Xiao Min, an executive Director |
| “Share(s)” | the ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Capital Reorganisation which became effective on 21 April 2016 |
| “Share Registrar” | Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong |
| “Non-Qualifying Shareholder(s)” | Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient not to offer the Rights Shares under the Rights Issue to such Overseas Shareholder(s) |
| “Overseas Shareholder(s)” | Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong |
| “PAL(s)” | the provisional allotment letter(s) issued in connection with the Rights Issue |

DEFINITIONS

| | |
|-----------------------------|---|
| “PRC” | The People’s Republic of China, which for the purpose of this Prospectus, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of The People’s Republic of China |
| “Prospectus” | this prospectus issued by the Company containing details of the Rights Issue |
| “Prospectus Documents” | this Prospectus and the PAL |
| “Qualifying Shareholder(s)” | Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company on the Record Date |
| “Record Date” | Tuesday, 3 May 2016 or such other day as may be agreed between the Underwriter and the Company, being the date for determining the entitlements to the Rights Issue |
| “Rights Share(s)” | the 26,239,509,650 new Shares to be issued and allotted under the Rights Issue on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents |
| “Rights Issue” | the issue by way of rights of ten (10) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents |
| “Ritz Management” | Ritz Management Limited, a company incorporated in Samoa with limited liability and is wholly-owned by Ms. Yu |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company held on 20 April 2016 at which, the Capital Reorganisation and the Rights Issue (including the Underwriting Agreement) and the transaction contemplated thereunder were approved by the Shareholders or the independent Shareholders (as the case may be). |

DEFINITIONS

| | |
|--------------------------|---|
| “Shareholder(s)” | holder(s) of issued Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | HK\$0.01 per Rights Share |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Underwriter” | Convoy Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO |
| “Underwriting Agreement” | the underwriting agreement dated 24 February 2016 (as supplemented on 16 March 2016) entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue |
| “%” | percentage |
| “HK\$” | Hong Kong dollars, the lawful currency of the Hong Kong |

LETTER FROM THE BOARD



IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

Executive Directors:

Ms. Yu Xiao Min (*Chairperson*)

Ms. Xu Miaoxia

Mr. Zeng Lingchen

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent non-executive Directors:

Ms. Pang King Sze, Rufina

Mr. Hong Bingxian

Mr. Hung Kenneth

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

36th Floor, Times Tower

391-407 Jaffe Road

Wanchai, Hong Kong

5 May 2016

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF TEN (10) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

INTRODUCTION

As disclosed in the announcement and the circular of the Company dated 24 February 2016 and 22 March 2016, respectively, the Board announced that, among other things, subject to the Capital Reorganisation becoming effective, the Company proposed to implement the Rights Issue on the basis of ten Rights Shares for every one Share held on the Record Date at the Subscription Price of HK\$0.01 per Rights Share, to raise approximately HK\$262.4 million before expense by way of issuing 26,239,509,650 Rights Shares (assuming no further Shares will be issued or repurchased on or before the Record Date).

LETTER FROM THE BOARD

At the SGM, resolutions approving the Capital Reorganisation and the Rights Issue were duly passed by the Shareholders and independent Shareholders by way of poll, respectively. The Capital Reorganisation became effective on 21 April 2016, details of which were disclosed in the circular of the Company dated 22 March 2016.

As the Rights Issue will increase the issued share capital and the market capitalisation of the Company by more than 50%, according to Chapter 10 of the GEM Listing Rules, the Rights Issue is subject to the approval by the Shareholders at the special general meeting of the Company by resolution on which any controlling Shareholders and their associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

At the date of the SGM, the Company had no controlling Shareholder and Ms. Yu, an executive Director, holds 120,000,000 Shares through Ritz Management. Therefore, Ritz Management abstained from voting of the resolution relating to the Rights Issue at the SGM. Save for Ms. Yu, no other Director or any of his/her respective associates held any Shares as at the date of the SGM.

The purpose of this Prospectus is to provide the Shareholders with, among other things, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to the Shareholders, together with the financial and other information of the Group.

THE RIGHTS ISSUE

Issue statistics

| | | |
|---|---|--|
| Basis of the Rights Issue | : | Ten (10) Rights Shares for every one (1) Share held on the Record Date |
| Subscription Price | : | HK\$0.01 per Rights Share |
| Number of Shares in issue as at the Latest Practicable Date | : | 2,623,950,965 Shares |
| Number of Rights Shares | : | 26,239,509,650 Rights Shares |
| Number of Shares in issue upon completion of the Rights Issue | : | 28,863,460,615 Shares |

LETTER FROM THE BOARD

| | | |
|---|---|---|
| Number of Rights Shares agreed to be taken up | : | China Wah Yan and Ritz Management have both undertaken to the Company and the Underwriter that they will respectively apply for 7,100,000,000 Rights Shares and 1,200,000,000 Rights Shares to be provisionally allotted to them under the Rights Issue. Details of the undertaking are set out in the paragraph headed “Shareholders Undertakings” in this Prospectus. |
| Number of Rights Shares to be underwritten by the Underwriter | : | 17,939,509,650 Rights Shares, being the total number of Rights Shares to be allotted and issued less the aggregate number of the Rights Shares agreed to be taken up by China Wah Yan and Ritz Management. Accordingly, the Rights Issue is fully underwritten. |
| Nominal value of the Rights Shares | : | HK\$26,239,509.65 |
| Gross proceeds to be raised from the Rights Shares | : | approximately HK\$262.4 million |
| Estimated net proceeds to be raised from the Rights Issue after deduction of expenses | : | approximately HK\$256 million |
| Underwriter | : | Convoy Securities Limited |

Based on the 2,623,950,965 Shares in issue as at the Latest Practicable Date, and assuming there will be no change in the number of issued Shares from the Latest Practicable Date up to the Record Date, the 26,239,509,650 Rights Shares to be issued pursuant to the Rights Issue will represent (i) 10 times the number of issued Shares; and (ii) 90.9% of the number of issued Share as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has no other outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into Shares.

Basis of provisional allotment

The basis of the Rights Issue will be ten (10) Rights Shares (in nil-paid form) for every one (1) Share in issue held by the Qualifying Shareholders on the Record Date.

LETTER FROM THE BOARD

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted for, to the Share Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before the Latest Time for Acceptance.

Matching services

No odd lot matching services will be provided for the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.01 per Rights Share and is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents a discount of 50% to the closing price of HK\$0.02 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter after taking into, among others, the pro-longed period of suspension in the trading of the Shares, the prevailing market sentiment, the poor financial performance of the Group in the past years and the additional fund required by the Group for its continuous business development. Although the theoretical ex-rights price of the Shares to be issued under the Rights Issue will approach extremities, the Directors consider that the substantial discount of the Subscription Price to the closing price of the Shares on the Last Trading Day will nevertheless encourage the Qualifying Shareholders to participate in the Rights Issue which would enable them to maintain their shareholdings in the Company and to enjoy the potential growth of the Group.

Given the above, the Directors consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01, the issuer is required either to change the trading method or to proceed with a consolidation of its securities. In this connection, the Company proposes to, depending on the then trading price of the Shares, immediately following completion of the Rights Issue, implement a share consolidation and change of its board lot size so as to comply with the relevant trading requirements under the GEM Listing Rules. The Company will make further announcement(s) as and when appropriate in accordance with the GEM Listing Rules on any development in respect of the proposed

LETTER FROM THE BOARD

share consolidation and the change in board lot size (hence, the then proposed share consolidation and change in board lot size as disclosed in the announcement of the Company dated 29 February 2016 is no longer applicable).

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will send the Prospectus Documents to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date, and not be a Non-Qualifying Shareholder.

Rights of Overseas Shareholders and Non-Qualifying Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. According to the register of members of the Company as at the Record Date, there were 3 Overseas Shareholders whose addresses are located outside Hong Kong (being only in the PRC). The Directors have conducted enquiries in compliance with Rule 17.41 of the GEM Listing Rules regarding the feasibility of extending the offer of the Rights Shares to such Overseas Shareholders. The Overseas Shareholders with registered addresses in the PRC will be entitled to receive the Prospectus Documents. Accordingly, there are no Overseas Shareholders being prohibited from the Rights Issue.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this Prospectus or any of the PAL outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws of and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance or application by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your professional advisers.

The Company shall provisionally allot the Rights Shares which represent the entitlements of the Non-Qualifying Shareholders to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavor to sell the rights as soon as practicable after dealing in nil-paid Rights Shares commence and in any event on or before

LETTER FROM THE BOARD

the last day of dealing in nil-paid Rights Shares at a net premium (nil-paid). If and to the extent that such rights can be so sold, the said nominee of the Company shall account to the Company for the net proceeds of sale (after deducting the expenses for sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Non-Qualifying Shareholders shall be distributed pro rata to their shareholding as at the Record Date (but rounded down to the nearest cent) to the Non-Qualifying Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid rights which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with the terms of the Underwriting Agreement.

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Share Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 19 May 2016. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong, and made payable to "IR RESOURCES LTD — PAL" and crossed "ACCOUNT PAYEE ONLY". No receipt will be issued in respect of any application monies received.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Share Registrar by no later than 4:00 p.m. on Thursday, 19 May 2016, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 11 May 2016 to the Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the

LETTER FROM THE BOARD

Share Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue under the Underwriting Agreement is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Friday, 20 May 2016 (or such later time as the Company and the Underwriter may agree in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person

LETTER FROM THE BOARD

without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Share Registrar on or before Friday, 27 May 2016.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Ranking of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to the Rights Issue becoming unconditional and not having been terminated or rescinded by the Underwriter, share certificates for all fully-paid Rights Shares are expected to be sent on or before Friday, 27 May 2016 by ordinary post to the allottees, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheque will be sent on or before Friday, 27 May 2016 by ordinary post to the applicants, at their own risk, to their registered addresses.

No application for excess Rights Shares

Having considering that (i) the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company; (ii) the additional effort and costs required to administer the excess application procedures; and (iii) the estimated net proceeds from the Rights Issue have been earmarked for specific uses and therefore it is important to minimise costs arising from the fund raising, the Company decides that Qualifying Shareholders will not be entitled to subscribe for any additional Rights Shares in excess of their provisional allotment under the Rights Issue. Any Rights Shares not being applied for by the Qualifying Shareholders will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure the subscription for the Rights Shares which have not been taken up by the Qualifying Shareholders.

LETTER FROM THE BOARD

Application for listing

The Company has applied to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading thereafter. All activities under the CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangement will affect their rights and interests.

Nil-paid and fully-paid Rights Shares will be traded in board lots of 10,000 (as the Shares are currently traded on the Stock Exchange in board lots of 10,000). Dealing in the Rights Shares in both their nil-paid and fully-paid forms registered in the register of members of the Company in Hong Kong will be subject to the payment of the stamp duty and applicable fees and charges in Hong Kong.

No part of the equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchanges.

The Underwriting Agreement

Date : 24 February 2016 (as supplemented on 16 March 2016)

Underwriter : Convoy Securities Limited.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are not connected persons (as defined under the GEM Listing Rules) of the Company.

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Number of the Rights Shares : 17,939,509,650 Rights Shares
to be underwritten by the
Underwriter

Underwriting commission : 3.0% of the aggregated Subscription Price in
respect of the Shares for which the Underwriter
has underwritten.

After taking into account the Rights Shares agreed to be taken up by China Wah Yan and Ritz Management and the number of Rights Shares agreed to be underwritten by the Underwriter, the Rights Issue is fully underwritten.

The commission rate was determined between the Company and the Underwriter by reference to the market rate. The Company has considered that the terms of the Underwriting Agreement (including the underwriting commission rate) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

If, prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (c) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole;

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- (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole;
- (ii) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or material restriction of trading in securities, imposition of economic sanctions, on Hong Kong) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;
- (iii) this Prospectus when published contains information (either as to the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to apply for its provisional allotment of Rights Shares under the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any breach of or omits to any of the warranties or undertakings contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any events occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which would render the warranties contained under the Underwriting Agreement untrue or incorrect in any material respect, comes to the knowledge of the Underwriter.

Upon the giving of notice of termination as referred to the above prior to the Latest Time for Termination, the obligations of all parties under the Underwriting Agreement (save and except for, among others, the fees and expenses payable by the Company) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise, save for any antecedent breaches. If such notice of termination were served by the Underwriter, the Rights Issue will not proceed accordingly.

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The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the passing of the ordinary resolution(s) on a vote taken by way of poll at the SGM to approve the Rights Issue by the independent Shareholders;
- (ii) the capital reduction under the Capital Reorganisation having become effective;
- (iii) the filing and registration of the Prospectus Documents (together with any other documents required by the applicable laws or regulations) with the Registrar of Companies in Hong Kong by no later than the posting date of this Prospectus;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of this Prospectus to the Non-Qualifying Shareholders by no later than the posting date of this Prospectus;
- (v) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, the listing of and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms) by no later than posting date of this Prospectus and such listing and permission not being revoked prior to the Latest Time for Termination;
- (vi) compliance by the Company with all of its undertakings and obligations of the Company under the Underwriting Agreement;
- (vii) compliance with and performance of all undertakings and obligations of China Wan Yan and Ritz Management as contains in the irrevocable undertakings as described in the section headed “Shareholders Undertaking”;
- (viii) the resumption of trading in the Shares on the Stock Exchange; and
- (ix) the obligation of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Underwriter pursuant to its terms on or before the Latest Time for Termination.

No parties to the Underwriting Agreement are capable to waive any of the above conditions. If any of the conditions of the Rights Issue is not satisfied in whole or in part by the Latest Time for Termination or such later date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party will have any claim against any other party for cost, damages, compensation or otherwise, save in respect of any right or liability accrued before such termination.

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As at the Latest Practicable Date, conditions numbered (i), (ii) and (viii) have been fulfilled.

Underwriting arrangement under the Rights Issue

Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Rights Shares not being taken up by the Qualifying Shareholders which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company reaching 20% of the voting rights of the Company upon the completion of the Rights Issue. The Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the untaken Rights Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the directors, chief executive or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue. As at the Latest Practicable Date, the Underwriter had entered into sub-underwriting agreements with five different sub-underwriters. The Underwriter has confirmed that itself, the sub-underwriters and their respective close associates do not hold any Shares as at the Latest Practicable Date. The Underwriter has also confirmed that the Underwriter and each of the sub-underwriters will in any case hold less than 20% and 10% of the voting rights of the Company upon completion of the Rights Issue, respectively.

Shareholders Undertaking

As at the date of the Underwriting Agreement, Ritz Management and China Wah Yan held 120,000,000 and 768,698,967 Shares, respectively (representing 4.57% and 29.30% of the number of issued Shares, respectively). Each of Ritz Management and China Wah Yan has irrevocably undertaken to the Company and the Underwriter that (i) all Shares beneficially owned by them (or under the companies respectively owned by them) will remain registered in their respective names from the date of the Underwriting Agreement and up to the Record Date; and (ii) Ritz Management and China Wah Yan will respectively subscribe for or procure the subscription of 1,200,000,000 Rights Shares and 7,100,000,000 Rights Shares that will be provisionally allotted to them as the holder of such Shares under the Rights Issue.

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Change in the shareholding structure

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Rights Issue (assuming nil application by the Shareholders) and (iii) immediately after the Rights Issue (assuming full application by the Shareholders):

| | Notes | As at the Latest Practicable Date | | Immediately after the Rights Issue (assuming nil application by the Shareholders) | | Immediately after the Rights Issue (assuming full application by the Shareholders) | |
|---------------------|-------|--------------------------------------|----------------|--|----------------|---|----------------|
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| China Wah Yan | 1 | 768,698,967 | 29.30% | 7,868,698,967 | 27.26% | 8,455,688,637 | 29.30% |
| Ritz Management | 1 | 120,000,000 | 4.57% | 1,320,000,000 | 4.57% | 1,320,000,000 | 4.57% |
| | | 888,698,967 | 33.87% | 9,188,698,967 | 31.83% | 9,775,688,637 | 33.87% |
| Public Shareholders | | 1,735,251,998 | 66.13% | 1,735,251,998 | 6.01% | 19,087,771,978 | 66.13% |
| Underwriter | 2 | — | — | 17,939,509,650 | 62.16% | — | — |
| Total | | 2,623,950,965 | 100.00% | 28,863,460,615 | 100.00% | 28,863,460,615 | 100.00% |

Note:

- Each of Ritz Management and China Wah Yan will subscribe for 1,200,000,000 and 7,100,000,000 Rights Shares under their respective undertakings.
- the Underwriting Agreement shall contain terms restricting the shareholding of the Underwriter in the Company such that the Underwriter shall not subscribe, for its own account, for such number of untaken Rights Shares which will result in the shareholding of it and the parties acting in concert with it (within the meaning of the Takeovers Code) in the Company reaching 20% of the voting right of the Company upon completion of the Rights Issue. The Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the untaken Rights Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the directors, chief executive or substantial shareholder of the Company or their respective associates (as defined in the GEM Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue so as to maintain the public float of the Shares as required under the GEM Listing Rules at all times in the event that not all Shareholders participate in the Rights Issue.

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If a Shareholder does not take up any entitlement under the Rights Issue, his/her/its percentage interest in the Company will be diluted by 90.9%. However, as all Qualifying Shareholders are being offered equal opportunity to participate in the Rights Issue to maintain their interests in the Company and they are also entitled to split their entitlement to the Rights Issue (i.e. taking up part and selling the remaining part to cash in), the Directors, despite the potential dilution impact, consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and the use of proceeds from the Rights Issue

The Group is principally engaged in (i) forestry and agricultural business; and (ii) resources and logistics business.

As disclosed in the Company's annual report (the "2015 Annual Report") for the year ended 31 December 2015, the Group recorded (i) loss before and after taxation of approximately HK\$41.7 million for the year ended 31 December 2014; and (ii) loss before and after taxation of approximately HK\$33.4 million and approximately HK\$35.1 million for the year ended 31 December 2015, respectively. As at 31 December 2015, the Group had consolidated net current liabilities of approximately HK\$142.9 million and cash balance of only HK\$4.2 million. During the second half of 2015, the Group entered into agreements with investors and business partner who have the relevant connections and experience in the timber and plantation businesses in the Asia region for purpose of revitalizing its business in Cambodia (details of which are disclosed in the announcements of the Company dated 17 July 2015, 30 September 2015 and 24 February 2016). The Company is in the process of preparing for the restructuring and expects to complete the restructuring in or about second quarter of 2016. The Group will require additional working capital to accelerate the development pace of its principal businesses. Given the prolonged trading suspension in the Shares and the poor financial performance of the Group as mentioned above, it is difficult, if not implausible, for the Group to raise fund through debt financing and placing of new Shares (in particular, trading in the Shares resumed only in late February 2016). As such, the Rights Issue is a feasible fund raising means to improve the financial position of Group and offers all the Qualifying Shareholders an equal opportunity to participate and maintain their shareholding interest in the Company.

The gross proceeds of the Rights Issue will amount to approximately HK\$262 million and the estimated net proceeds (after the deduction of, among other things, underwriting commission and other related expenses in the amount of approximately HK\$6 million) will amount to approximately HK\$256 million. The Company intends to apply the net proceeds as to (i) approximately HK\$170 million for repayment of the outstanding

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liabilities; (ii) approximately HK\$25 million for general working capital purpose and approximately HK\$25 million as working capital for development of the Group's principal businesses (including capital expenditures and working capital of at least HK\$16 million for the Group's plantation business in 2016 and 2017); and (iii) the remaining balance for potential investment opportunities when available. As at the Latest Practicable Date, the Group has not identified any potential investment opportunity. Taking into account of (i) the outstanding liabilities of the Group as at 31 December 2015; (ii) the estimated capital expenditure and working capital requirement of the Group's plantation business in 2016 and 2017; and (iii) the estimated general working capital of the Group in 2016 and 2017, the Board is of the view that the net proceeds from the Rights Issue of approximately HK\$256 million is able to satisfy the Company's expected funding needs for the next 12 months. Given that the Rights Issue will (i) improve the capital structure of the Company; (ii) provide the necessary funding for the Group's general working capital purpose and development of its businesses; and (iii) provide the Qualifying Shareholders with the opportunity to maintain their respective pro-rata shareholding interest in the Company and enjoy the potential growth prospects of the Group, the Directors consider that the Rights Issue is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implication of the holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms, and as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of the sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accepts the responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHT SHARES IN NIL-PAID FORM

If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated or rescinded by the Underwriter, the Rights Issue will not proceed. If the Rights Issue does not proceed, a further announcement will be made by the Company.

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The issuance of this Prospectus does not mean that listing of the Rights Shares will be approved by the Stock Exchange.

Shareholders and potential investors of the Company contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed and they are recommended to consult their own professional advisers in dealing in the securities of the Company.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this Prospectus.

Yours faithfully,
For and on behalf of the Board
Yu Xiao Min
Chairperson of the Board

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 31 December 2013, 2014 and 2015 have been set out in the Company's annual reports for the respective years which have been published on the websites of the Company (www.irresources.com.hk) and the Stock Exchange (<http://www.hkexnews.hk>).

Please see below the links to the above-mentioned annual reports:

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0225/GLN20160225019.pdf>

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0225/GLN20160225035.pdf>

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0311/GLN20160311075.pdf>

2. INDEBTEDNESS OF THE GROUP**Borrowing**

As at 31 March 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

- (a) Loans of principal amount of HK\$46,787,000 together with the accrued interest of HK\$68,153,000, represented the loans held by a lender (the "Lender"), which (i) bear interest at 5% per annum; (ii) are secured by 100% of the shares in two wholly-owned subsidiaries engaging in timber business; and (iii) should be repayable on or before 20 May 2015 and 20 May 2016, respectively. As the terms of such loans had been defaulted in 2013, an additional interest of 50% per annum has been further charged to the Group and become repayable on demand.
- (b) Loan of principal amount of HK\$21,000,000 together with the accrued interest of HK\$716,000, represented a further loan from the Lender, which bears interest at 5% per annum, is unsecured and repayable in May 2016.
- (c) Loan of principal amount of HK\$10,000,000 together with the accrued interest of HK\$27,000, represented a loan from a financial institution, which bears interest at 10% per annum, is unsecured and repayable in March 2017.

Debt securities

As at 31 March 2016, the Group did not have any debt securities.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 March 2016.

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 31 March 2016.

3. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are satisfied after due and careful enquiry and taking into account (i) the present internal financial resources available to the Group; (ii) the expected availability of the working capital loans in the aggregate amount of approximately HK\$51.75 million from the relevant subscribers which are unsecured, interest-free and with a term of 2 years for the timber logging business; (iii) the contribution of the working capital from the relevant subscribers and the plantation partner for plantation business; and (iv) the net proceeds of approximately HK\$256 million from the Rights Issue, the Group will have sufficient working capital for its business for the next twelve months from the date of this Prospectus in the absence of unforeseen circumstances.

4. 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 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FOREIGN EXCHANGE

As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong. As the revenue and cost of business are principally denominated in Hong Kong dollars and United States dollars, the Company has no exposure to foreign exchange liabilities.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the 2015 Annual Report, the Group entered into agreements to revitalise its forestry business in Cambodia, including (i) the subscription agreement in July 2015 (as subsequently supplemented, and collectively referred to as the “Subscription Agreement”) with a group of investors (the “Subscribers”) who have substantial experience in the timber industry with sales network; and (ii) the plantation cooperation agreement in November 2015 (the “Plantation Cooperation Agreement”) with an experienced plantation operator (the “Plantation Partner”). Details of the above agreements are set out in the paragraphs headed “4. Material Contracts” in Appendix III “General Information” to this Prospectus. After completion of the restructuring under the Subscription Agreement and the Plantation Cooperation Agreement, the relevant Subscribers will provide working capital loans of HK\$51.75 million for development of the Group’s timber logging business and the Plantation Partner and the relevant Subscribers will provide funding for development the Group’s plantation business in proportion to their shareholding interests in the Group’s plantation business. Under the Subscription Agreement and the Plantation Cooperation Agreement, the Subscribers and the Plantation Partner shall charge their respective equity interest in the Group’s timber logging business and plantation business and such share charges will only be released upon fulfilment of certain undertakings (including provision of funding, details of which were disclosed in the announcements of the Company dated 17 July 2015 and 30 September 2015 and 24 February 2016). Following completion of the Subscription Agreement and the Plantation Cooperation Agreement as well as the obtaining of the additional working capital from the Rights Issue, it is expected that the Group will be able to accelerate the development of its timber logging business and the plantation business. Going forward, the Group will, as mentioned above, seek appropriate investment/business opportunities to enhance its business portfolio.

In addition, the Group's business operation in Cambodia is subject to certain risk factors, including:

Cambodia being a developing country

Cambodia is a developing country and is subject to political, economic and social development and the operation and profitability of the Group are subject to the risk of the political stability of the country. Furthermore, Cambodia has under-developed wood processing and transportation infrastructure and the Group may potentially incur additional and unexpected costs for transportation of the timber logged from the three forests ("Three Forests").

Fluctuation of log prices

Prices for logs can be volatile and are affected by a number of factors including demand for wood and wood products, supply from unauthorised logging, economic growth rate, interest rate, trade policies and prevailing fuel and transportation costs. Since the Group's revenue of its timber business is mainly derived from sale of wood products, any decline in the market prices for logs would have an adverse impact on its results of operation.

Competition from wood substitutes

The timber business of the Group faces competition from manufacturers of wood substitutes such as imitation wood and other materials which are used as alternative materials mainly in construction and in furniture production. The demand for wood products is also affected by changes in consumer trends and tastes. Any change in consumers' preference for wood substitutes will decrease demand for the Group's timber products and have an adverse impact on the Group's operating results.

Adverse impact from natural hazards

The occurrence of any prolonged and abnormally high level of rain at the location of the Three Forests may have an adverse impact on the Group's timber logging activities.

Unauthorised timber logging

Although the Group maintains security at the infrastructure access to the Three Forests for which the Group has been granted the exploitation concession right, the Three Forests cover a vast area and the timber standing on the Three Forests may be subject to theft which would result in a loss of the Group's timber resources.

The PRC being the Group's main source of revenue

The Group sells most of its timber products to the PRC and such export is subject to the economic development in the PRC. Any slowing down in the economic development of the PRC may potentially have an impact on the profitability of the Group.

The Group's timber business is labour intensive

The Group's timber business involves logging and processing of the existing trees from the Three Forests and the Group will rely on a large number of workers to log timber. As the Three Forests are located in rural area, there is a risk that the manpower for harvesting logs may not be available on a timely basis. The Group is also vulnerable to labour shortage due to strike, labour stoppage and civil unrest. Any shortage of labour will adversely affect the operating results of the Group.

Risks in relation to the macro-environment

The Group's assets, business and operations are primarily based in the PRC and Cambodia and the Group has mainly derived its revenue in the PRC. Accordingly, the Group's business, financial condition, results of operations and prospects are affected by government policies, as well as economic, social, political and legal developments in the PRC and Cambodia. The domestic economy of the PRC and Cambodia is also affected by many other unpredictable factors such as economic, social, legal and political development, fluctuations in global interest rates, and changes in local and international economic and political situations. There is no assurance that any changes of the existing government policies, economic, social, political conditions and the business environment in Cambodia and the PRC in the future will have a positive effect on the Group's business operations.

For illustrative purpose only, set out below is the unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Rights Issue has been completed on 31 December 2015. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information below should bear in mind that these figures are inherently subject to adjustments and, because of its hypothetical nature, may not give a true picture of the Group's financial position had the rights issue been completed as at 31 December 2015 or any future dates.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

1. Introduction

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group which has been prepared on the basis of the notes set out below for illustrating the effect of the rights issue (the “Rights Issue”) of 26,239,509,650 rights shares (the “Rights Share(s)”) at the subscription price of HK\$0.01 per Right Share on the consolidated net tangible assets of the Group as if it had taken place on 31 December 2015. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 31 December 2015 or any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible liabilities of the Group as at 31 December 2015 as extracted from the annual report of the Company and adjusted for the effect of the Rights Issue.

2. Unaudited pro forma statement of adjusted consolidated net tangible assets of the Group

| | Unaudited consolidated net tangible liabilities of the Group as at 31 December 2015 | Estimated net proceeds from the Rights Issue | Unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Rights Issue had been completed as at 31 December 2015 |
|---|--|---|--|
| | <i>HK\$ '000</i> | <i>HK\$ '000</i> | <i>HK\$ '000</i> |
| | <i>(Note a)</i> | <i>(Note c)</i> | |
| | (128,316) | 255,539 | 127,223 |
| Unaudited consolidated net tangible liabilities of the Group per share as at 31 December 2015 prior to the completion of the Rights Issue <i>(Note d)</i> | | | <u><u>(4.89 HK cents)</u></u> |
| Unaudited pro forma adjusted consolidated net tangible assets of the Group per share as if the Rights Issue had been completed as at 31 December 2015 <i>(Note e)</i> | | | <u><u>0.44 HK cents</u></u> |

Notes:

- (a) The unaudited consolidated net tangible liabilities of the Group as at 31 December 2015 is arrived at by deducting the intangible assets of approximately HK\$307,164,000 from the net assets of the Group of approximately HK\$178,848,000 as extracted from the published annual report of the Group for the year ended 31 December 2015.

- (b) Subsequent to the end of the reporting period, the Company conducted a capital reorganisation (the “Capital Reorganisation”) (involving the capital reduction, the reduction of share premium and elimination of accumulated losses which became effective on 21 April 2016). No adjustment has been made as the Capital Reorganisation did not have material financial impact on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group.
- (c) The estimated net proceeds from the Rights Issue of approximately HK\$255,539,000 are calculated based on 26,239,509,650 rights shares (“Rights Share(s)”) to be issued at the subscription price of HK\$0.01 per Rights Share and after deduction of the estimated legal and professional expenses and other related expenses which are directly attributable to the Rights Issue of approximately HK\$6,856,000.
- (d) The calculation of the unaudited consolidated net tangible liabilities of the Group per share as at 31 December 2015 prior to the completion of the Rights Issue is based on the unaudited consolidated net tangible liabilities of the Group of approximately HK\$128,316,000 and 2,623,950,965 shares of the Company in issue as at 31 December 2015.
- (e) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group per share as if the Rights Issue had been completed as at 31 December 2015 is based on (i) unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Rights Issue had been completed of approximately HK\$127,223,000 as at 31 December 2015; and (ii) 28,863,460,615 Shares of the Company in issue after the Rights Issue (which comprise of 2,623,950,965 Shares of the Company in issue as at 31 December 2015 and 26,239,509,650 Rights Shares expected to be issued on the completion of the Rights Issue).
- (f) Except for point (b) above, no adjustment has been made to reflect the operating results or other transaction of the Group entered into subsequent to 31 December 2015.

The following is the text of a report received from the independent reporting accountants, Ascenda Cachet CPA Limited, prepared for the sole purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Company.

B. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP



13F Neich Tower
128 Gloucester Road
Wanchai Hong Kong

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
INCLUDED IN THE PROSPECTUS**

To the Directors of IR RESOURCES LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of IR Resources Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors (the “Directors”) of the Company for illustrative purposes only, to provide information about how the rights issue (the “Rights Issue”) of 26,239,509,650 rights shares (the “Rights Share(s)”) to the qualifying shareholders at the subscription price of HK\$0.01 per Rights Share on the basis of ten Rights Shares for every one share of the Company held on 3 May 2016 (or such other date as the underwriter may agree in writing with the Company) (the “Record Date”) might have affected the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 December 2015. The Unaudited Pro Forma Financial Information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2015 and related notes as set out in Section A of Appendix II of the prospectus (the “Prospectus”) issued by the Company on 5 May 2016. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s unaudited consolidated net tangible assets as at 31 December 2015 as if the Rights Issue had been completed at

31 December 2015. As part of this process, information about the Group’s unaudited consolidated net tangible liabilities have been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2015, of which an auditors’ report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

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

We have applied Hong Kong Standard on Quality Control 1 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 Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by Rule 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 owned to those to whom those reports were addressed by us at the respective dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 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 accountant plan and perform

procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” 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.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been completed at 31 December 2015 selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue 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 transaction, 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 accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the event or the transaction 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 purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 7.31(1) of the GEM Listing Rules.

Yours faithfully,

ASCENDA CACHET CPA LIMITED

Certified Public Accountants

Chan Yuk Tong

Practising Certificate Number P03723

Hong Kong

5 May 2016

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date and (ii) immediately after completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date and up to the Record Date):

| | |
|---|---------------------------|
| (i) As at the Latest Practicable Date: | <i>HK\$</i> |
| <i>Authorised:</i> | |
| <u>200,000,000,000</u> Shares | <u>200,000,000</u> (Note) |
| <i>Issued and fully-paid or credited as fully paid:</i> | |
| <u>2,623,950,965</u> Shares | <u>2,623,951</u> (Note) |

- (ii) Immediately after completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date and up to the Record Date):

| <i>Authorised:</i> | <i>HK\$</i> |
|---|---------------------------|
| <u>200,000,000,000</u> Shares | <u>200,000,000</u> (Note) |
| <i>Issued and fully-paid or credited as fully paid:</i> | |
| 2,623,950,965 Shares as at the Latest Practicable Date | 2,623,951 (Note) |
| 26,239,509,650 Rights Shares to be allotted and issued | 26,239,510 (Note) |
| <u>28,863,460,615</u> | <u>28,863,461</u> |

Note: following the capital reorganisation which became effectively on 21 April 2016, the nominal value of the share is HK\$0.001.

All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, distribution and voting rights, and once issued and fully-paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends were waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or 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 and 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors were as follows:

Long position in the Shares and underlying Shares of the Company

| Name of Director | Capacity | Number of Shares and underlying Shares held | Approximate percentage of the total issued share capital of the Company |
|------------------|--|---|---|
| Ms. Yu | Interest of controlled corporation (<i>Note</i>) | 120,000,000 | 4.57% |

Note: These Shares are held by a company wholly-owned by Ms. Yu.

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had or were deemed to have any interests and short positions 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 (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 and 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executive of the Company, had or were deemed or taken to have interests or short positions in the Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, who is interested in 10% or more of any class of share capital carrying rights to vote at general meetings of the Company:

| Name | Capacity | Number of Shares and underlying Shares held | Approximate percentage of the total issued share capital of the Company |
|---------------|-----------------|---|--|
| China Wah Yan | Corporate owner | 768,698,967 | 29.3% |

Save as disclosed above, the Directors were not aware of any other person who, as at the Latest Practicable Date, had or was deemed to have interests or short positions in the Shares or underlying Shares, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, who is interested in 10% or more of any class of share capital carrying rights to vote at general meetings of the Company.

4. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by the members of the Group within two years immediately preceding the date of this Prospectus, which are or may be material:

- (i) the subscription agreement dated 7 July 2015 (and supplemented on 30 September 2015) and entered into between the Company and the investors in relation to the restructuring of the Group's business and the subsequent disposal of certain interest in subsidiaries which are engaged in timber business at an aggregate consideration of approximately US\$1,800, details of which are set out in the announcements of the Company dated 17 July 2015 and 30 September 2015;

- (ii) the plantation cooperation agreement dated 27 November 2015 and entered into between the Group and Cong Ty TNHH Mtv Phat Phat Trien relating to the disposal of certain interest in subsidiaries which are engaged in plantation business at an aggregate consideration of US\$2, details of which are set out in the announcement of the Company dated 24 February 2016; and
- (iii) the Underwriting Agreement.

5. 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 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualification of the expert who has given their opinions and advice which are included in this Prospectus:

| Name | Qualification |
|---|------------------------------|
| Ascenda Cachet CPA Limited (“Ascenda Cachet”) | certified public accountants |

Ascenda Cachet has given and has not withdrawn its written consent to the issue of this Prospectus with inclusion of its letter or reports and the references to its name in the form and context in which they respectively appear.

Ascenda Cachet did not have any interests in any Shares or shares in any member of the Group, or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, Ascenda Cachet did not have any direct or indirect interests in any assets which have since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to or by any member of the Group, or was proposed to be acquired or disposed of by or leased to or by any member of the Group.

7. 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.

8. 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.

9. 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.

10. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

| | |
|--|--|
| Registered office | Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda |
| Principal place of business in Hong Kong | 36th Floor, Times Tower 391-407 Jaffe Road Wanchai, Hong Kong |
| Principal share registrar and transfer agent office | Estera Management (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda |
| Hong Kong branch share registrar and transfer office | Computershare Hong Kong Investor Services Limited Shops 1712-16, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong |

| | |
|-------------------------------|---|
| Authorised representatives | Ms. Yu Xiao Min 36th Floor, Times Tower 391-407 Jaffe Road, Wanchai, Hong Kong Mr. Fung Wing Sang 36th Floor, Times Tower 391-407 Jaffe Road, Wanchai, Hong Kong |
| Company secretary | Mr. Fung Wing Sang Member of Hong Kong Institute of Certified Public Accountants |
| Compliance officer | Ms. Yu Xiao Min |
| Underwriter | Convoy Securities Limited Rooms 1406-1412, Nan Fung Tower 88 Connaught Road Central Central, Hong Kong |
| Legal advisers to the Company | <i>As to Hong Kong law</i> Baker & McKenzie 14/F., Hutchison House 10 Harcourt Road Hong Kong Norton Rose Fulbright Hong Kong 38/F., Jardine House 1 Connaught Place Central, Hong Kong |
| Auditor | Ascenda Cachet CPA Limited 13/F., Neich Tower 128 Gloucester Road Wanchai, Hong Kong |
| Principal bankers | ANZ Royal Bank (Cambodia) Limited 20, Kramuon Sar & Corner of Street 67 Phnom Penh, Cambodia Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Central, Hong Kong The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong |

11. DIRECTORS OF THE COMPANY**Particulars of the Directors****Name Business Address****Executive Directors**

Yu Xiao Min 36th Floor, Times Tower, 391-407 Jaffe Road,
Wanchai, Hong Kong

Xu Miaoxia 36th Floor, Times Tower, 391-407 Jaffe Road,
Wanchai, Hong Kong

Zeng Lingchen 36th Floor, Times Tower 391-407 Jaffe Road,
Wanchai, Hong Kong

Independent non-executive Directors

Pang King Sze, Rufina 36th Floor, Times Tower 391-407 Jaffe Road,
Wanchai, Hong Kong

Hong Bingxian 36th Floor, Times Tower 391-407 Jaffe Road,
Wanchai, Hong Kong

Hung Kenneth 36th Floor, Times Tower 391-407 Jaffe Road,
Wanchai, Hong Kong

Executive Directors

Ms. Yu Xiao Min, aged 46, has been appointed as an executive Director and the chairperson of the Board since February 2012. Ms. Yu was awarded the “Outstanding Entrepreneur of Guangdong Province” by the Guangdong Provincial Executive Association of Entrepreneurs and the “Asia Pacific Entrepreneurship Awards — Most Promising Category” by Enterprise Asia. She is also an independent non-executive director of China Green (Holdings) Limited, a company whose shares are listed on the main board of the Stock Exchange. Ms. Yu holds a master’s degree in business administration. Save as disclosed above, Ms. Yu did not hold any directorship in any other listed companies in the past three years.

Ms. Xu Miaoxia, aged 57, has been appointed as an executive Director since May 2015. Ms. Xu has more than 30 years of experience in sales and distribution, procurement, production and logistics in the PRC. Prior to joining the Group, Ms. Xu was the director of a manufacturing and logistics group in the PRC. She also used to hold progressive positions from procurement, shop management, distribution to logistics in a large retail and logistics group listed in the PRC and was a senior management before leaving the group. Ms. Xu holds a university diploma in economics. Ms. Xu did not hold any directorship in any other listed companies in the past three years.

Mr. Zeng Lingchen, aged 35, has been appointed as an executive Director since October 2010. Mr. Zeng possesses substantial experience in plantation of rubber trees and sale of rubber products. Prior to joining the Group, Mr. Zeng held management positions in two rubber plantation companies in the PRC. Mr. Zeng holds a bachelor's degree in environmental engineering. Mr. Zeng did not hold any directorship in any other listed companies in the past three years.

Independent non-executive Directors

Ms. Pang King Sze, Rufina, aged 40, has been appointed as an independent non-executive Director since September 2014. Ms. Pang has more than 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. Ms. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a member of the New Zealand Institute of Chartered Accountants. Ms. Pang holds a bachelor's degree in business. Ms. Pang did not hold any directorship in any other listed companies in the past three years.

Mr. Hong Bingxian, aged 48, has been appointed as an independent non-executive Director since October 2012. Mr. Hong has more than 20 years of experience in production and international trade and substantial knowledge in logistics management and production process. He is the founder and managing director of a manufacturing group in the PRC. Mr. Hong did not hold any directorship in any other listed companies in the past three years.

Mr. Kenneth Hung, aged 44, has been appointed as an independent non-executive Director since March 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, respectively, all of whose shares are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Hung holds a bachelor's degree in science. Save as disclosed above, Mr. Hung did not hold any directorship in any other listed companies in the past three years.

The Directors' interest in the Company is disclosed in the paragraph headed "Disclosure of Interests" in the Appendix III of this Prospectus.

Audit committee

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.

12. GENERAL

In case of inconsistency, the English text of Prospectus Documents shall prevail over the Chinese text.

13. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$6 million and are payable by the Company.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of the Prospectus Documents and the written consent as referred to under the paragraph "Qualification and Consent of Expert" in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. 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 Prospectus to 20 May 2016 (both day inclusive):

- (a) the bye-laws of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2014 and 2015;
- (c) the unaudited pro forma financial information of the Group issued by Ascenda Cachet set out in Appendix II to this Prospectus;
- (d) the written consents referred to in the paragraph headed “Qualifications and Consent of Expert” in this appendix;
- (e) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (f) the circular of the Company dated 22 March 2016; and
- (g) the Prospectus Documents.