Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.

INTERNATIONAL RESOURCES ENTERPRISE LIMITED
國際資源實業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The board of directors (the "Board") of International Resources Enterprise Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2011 together with the comparative figures for the corresponding period in 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	NOTES	**2011** *HK$'000*	2010 *HK$'000*
Turnover	3	**104,428**	96,090
Cost of sales and services provided		**(104,357)**	(88,012)
Gross profit		**71**	8,078
Other operating income		**3,088**	2,752
Impairment loss on goodwill		**(15,065)**	(5,400)
Impairment loss on intangible assets		**(41,595)**	–
Net gain on deregistration of a subsidiary		**408**	–
Selling and distribution expenses		**(1,165)**	(3,164)
Administrative expenses		**(17,396)**	(15,317)
Change in fair value of convertible loan notes		**(1,186)**	–
Finance costs	5	**(19,845)**	(18,756)
Loss before tax		**(92,685)**	(31,807)
Income tax credit (expense)	6	**10,730**	(2,163)
Loss for the year	7	**(81,955)**	(33,970)
Other comprehensive income (expense)			
Exchange difference arising on translation of overseas operation and net income (expense) directly recognised in equity		**3,717**	(419)
Other comprehensive income (expense) for the year (net of tax)		**3,717**	(419)
Total comprehensive expense for the year		**(78,238)**	(34,389)

	NOTES	2011 HK$'000	2010 HK$'000
Loss for the year attributable to:			
– Owners of the Company		**(81,094)**	(31,789)
– Non-controlling interests		**(861)**	(2,181)
		(81,955)	(33,970)
Total comprehensive expense attributable to:			
– Owners of the Company		**(77,377)**	(32,071)
– Non-controlling interests		**(861)**	(2,318)
		(78,238)	(34,389)
LOSS PER SHARE – BASIC AND DILUTED			
(Expressed in Hong Kong cents)	9	**(10.60)**	(4.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2011

	NOTES	**2011** *HK$'000*	2010 *HK$'000*
Non-current assets			
Property, plant and equipment		**26,345**	23,626
Intangible assets		**95,480**	139,168
Goodwill		**–**	15,065
Security deposit		**1,930**	1,844
		123,755	179,703
Current assets			
Inventories		**36,701**	63,407
Trade and other receivables	10	**4,684**	13,412
Bank balances and cash		**225,857**	286,711
		267,242	363,530
Current liabilities			
Trade and other payables	11	**31,615**	39,600
Amounts due to related companies		**–**	168
Amount due to shareholder of a subsidiary		**–**	28,500
Amount due to ultimate holding company		**573**	–
Convertible loan notes		**–**	180,410
		32,188	248,678
Net current assets		**235,054**	114,852
Total assets less current liabilities		**358,809**	294,555

	NOTES	**2011** HK$'000	2010 HK$'000
Capital and reserves			
Share capital		**76,537**	76,537
Reserves		**55,144**	104,860
Equity attributable to owners of the Company		**131,681**	181,397
Non-controlling interests		**–**	78,004
		131,681	259,401
Non-current liabilities			
Deferred tax liabilities		**24,069**	33,364
Convertible loan notes designated as financial liabilities at fair value through profit or loss ("FVTPL")		**201,186**	–
Provision for close down, restoration and environmental costs		**1,873**	1,790
		227,128	35,154
		358,809	294,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("INTs") (herein collectively referred to as "new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
Hong Kong Accounting Standard ("HKAS") 27 (Revised)	Consolidated and Separate Financial Statements

HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HK (IFRIC)-INT 17	Distributions of Non-cash Assets to Owners
HK-INT 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKFRS 3 (Revised) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 April 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 April 2010.

Results of the Group in future periods, may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

HKAS 27 (Revised 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (Revised 2008) has resulted in changes in the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. Under HKAS 27 (Revised 2008), all increases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

In addition, under HKAS 27 (as revised in 2008), the definition of non-controlling interest has been changed. Specifically, under the revised Standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent.

In respect of the acquisition of further 49% equity interest in Star Fortune International Investment Co. Limited ("Star Fortune") during the year, the impact of the change in accounting policy has been that the difference of approximately HK$27,143,000 between the consideration paid and the decrease in the carrying amount of the non-controlling interests has been recognised directly in equity (special reserve). Had the previous accounting policy been applied, this amount would have been recognised as gain on bargain purchase in the consolidated statement of comprehensive income. Therefore, the change in accounting policy has resulted in increase in loss for the year of approximately HK$27,143,000 and increases in basic and diluted loss per share of 3.55 Hong Kong cents.

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosure – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosure[3]
HK (IFRIC)-INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity Instruments[2]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
[2] Effective for annual periods beginning on or after 1 July 2010.
[3] Effective for annual periods beginning on or after 1 January 2011.
[4] Effective for annual periods beginning on or after 1 July 2011.
[5] Effective for annual periods beginning on or after 1 January 2012.
[6] Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may have a significant impact on amounts reported in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and discounts allowed and provision of management services. An analysis of the Group's turnover is as follows:

	2011	2010
	HK$'000	*HK$'000*
Sales and distribution of coal	**104,428**	86,514
Sales of clocks and other office related products	**–**	4,576
Management fee income	**–**	5,000
	104,428	96,090

4. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the executive directors, being the chief operating decision maker for the purpose of resource allocation and performance assessment, is more specifically focused on the types of goods delivered and services provided by the Group's operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

(i) the coal mine business segment engages in mining, sales and distribution of coal; and

(ii) others.

During the year ended 31 March 2011, executive directors concluded the provision of management services and the clocks and other office related products segments are not significant as a reportable segment of the Group and accordingly prior year information were restated to conform to the current year's presentation.

(a) Segment revenue and results

The following tables present turnover, results and expenditure information for the Group's business segments.

For the year ended 31 March 2011

	Coal mine business	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
SEGMENT TURNOVER :			
Sales to external customers	**104,428**	**–**	**104,428**
SEGMENT RESULTS	**(67,655)**	**(581)**	**(68,236)**
Interest income			**418**
Net unallocated expenses			**(5,022)**
Finance costs			**(19,845)**
Loss before tax			**(92,685)**

For the year ended 31 March 2010

	Coal mine business *HK$'000*	Others *HK$'000*	Total *HK$'000*
SEGMENT TURNOVER :			
Sales to external customers	86,514	9,576	96,090
SEGMENT RESULTS	(9,592)	2,537	(7,055)
Interest income			120
Net unallocated expenses			(6,116)
Finance costs			(18,756)
Loss before tax			(31,807)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment result represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments, interest income, change in fair value of convertible loan notes and finance costs. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

For the year ended 31 March 2011

	Coal mine business ***HK$'000***	**Others** ***HK$'000***	**Unallocated** ***HK$'000***	**Total** ***HK$'000***
ASSETS				
Segment assets	**162,717**	**76**		**162,793**
Unallocated assets				**228,204**
Total assets				**390,997**
LIABILITIES				
Segment liabilities	**28,865**	**3,265**		**32,130**
Unallocated liabilities				**227,186**
Total liabilities				**259,316**
OTHER SEGMENT INFORMATION:				
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment	**4,699**	**–**		**4,699**
Depreciation and amortisation	**9,672**	**–**		**9,672**
Impairment of intangible assets	**41,595**	**–**		**41,595**
Impairment of goodwill	**15,065**	**–**		**15,065**
Loss on disposal of property, plant and equipment	**47**	**–**		**47**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:				
Interest income	**(397)**	**–**	**(21)**	**(418)**
Interest expense	**255**	**–**	**19,590**	**19,845**
Income tax credit	**(10,730)**	**–**	**–**	**(10,730)**

For the year ended 31 March 2010

	Coal mine business *HK$'000*	Others *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
ASSETS				
Segment assets	254,677	1		254,678
Unallocated assets				288,555
Total assets				543,233
LIABILITIES				
Segment liabilities	33,268	8,290		41,558
Unallocated liabilities				242,274
Total liabilities				283,832
OTHER SEGMENT INFORMATION:				
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment (Note)	6,447	–		6,447
Depreciation and amortisation	4,848	30		4,878
Net reversal of allowance for doubtful debts of trade receivables	–	(553)		(553)
Write down of inventories	16,800	–		16,800
Impairment of goodwill	5,400	–		5,400
Loss on disposal of property, plant and equipment	–	100		100
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:				
Interest income	(84)	(6)	(30)	(120)
Interest expense	217	–	18,539	18,756
Income tax expense	2,000	163	–	2,163

Note: The amount excluded the property, plant and equipment acquired through acquisition of subsidiaries.

For the purposes of monitoring segment performances and allocating resources between segments:

– all assets are allocated to reportable segments other than bank balances and cash and security deposit. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

– all liabilities are allocated to reportable segments other than amounts due to related companies/shareholder of a subsidiary/ultimate holding company, deferred tax liabilities and convertible loan notes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(b) **Geographical information**

The following table presents turnover and certain assets and expenditure information for the Group by geographical location.

	Europe		Hong Kong		PRC (other than Hong Kong)		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales to external customers	**–**	1,123	**–**	5,119	**104,428**	89,848	**104,428**	96,090
Non-current assets	**–**	–	**–**	–	**123,755**	179,703	**123,755**	179,703

Information about major customers

For the year ended 31 March 2010, a single customer of the coal mine business of the Group with revenue contributed to the Group amounting to approximately HK$10,670,000 had individually accounted for over 10% of the Group's total revenue. The customer is a new customer to the Group for the year ended 31 March 2010.

For the year ended 31 March 2011, there was no individual customer contributed more than 10% of the total revenue of the Group.

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest expenses on:		
– amount due to shareholder of a subsidiary	**255**	217
– effective interest expenses on convertible loan notes	**19,590**	18,539
	19,845	18,756

6. INCOME TAX (CREDIT) EXPENSE

	2011	2010
	HK$'000	*HK$'000*
The (credit) charge comprises:		
Hong Kong Profits Tax		
– current year	**–**	–
– over-provision in prior years	**–**	–
Tax in other jurisdictions		
– current year	**–**	2,671
– under-provision in prior years	**107**	–
	107	2,671
Deferred tax	**(10,837)**	(508)
	(10,730)	2,163

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. Hong Kong Profits Tax has not been provided for in the consolidated financial statements as there was no estimated assessable profit derived from Hong Kong for both years ended 31 March 2011 and 31 March 2010.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Pursuant to the laws and regulations in the PRC, one of the Group's subsidiaries operating in the PRC is entitled to exemption from PRC income tax in the first two years from the first profit-making year, followed by a 50% reduction of PRC income tax for the following three years.

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2011	2010
	HK$'000	*HK$'000*
Cost of inventories sold	**104,357**	88,012
Staff costs (excluding directors' remuneration):		
Basic salaries and allowances	**4,919**	6,568
Retirement benefits scheme contributions	**603**	196
	5,522	6,764
Depreciation of property, plant and equipment	**2,979**	1,677
Amortisation of intangible assets (included in cost of sales)	**6,693**	3,201
Net reversal of allowance for doubtful debts of trade receivables (included in other operating income)	**–**	(553)
Auditor's remuneration	**822**	680
Operating leases charges on rented premises	**1,762**	1,852
Net exchange (gain) loss	**(800)**	1,318
Write down of inventories (included in cost of sales)	**–**	16,800
Loss on disposal of property, plant and equipment	**47**	100
Waiver of long outstanding trade payables	**(809)**	–
Interest income	**(418)**	(120)

8. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2011, nor has any dividend been proposed since the end of the reporting period (2010: Nil).

9. LOSS PER SHARE – BASIC AND DILUTED

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the year is based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**81,094**	31,789

Number of shares	**2011**	2010
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**765,373,584**	765,373,584

The calculations of diluted loss per share for the years ended 31 March 2011 and 31 March 2010 do not assume the conversion of the convertible loan notes since its conversion would result in a decrease in loss per share. The basic and diluted loss per share are the same.

10. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade and bills receivables	**1,542**	12,350
Less : Allowance for doubtful debts of trade receivables	**(719)**	(719)
	823	11,631
Prepayments, deposits and other receivables	**3,861**	1,781
	4,684	13,412

The Group's sales to coal customers are largely on cash basis or with payment in advance. For certain well-established customers, the Group allows an average credit period of 90 days.

The Group's sales to other customers are on open account terms. Trading terms with customers are largely on credit, except for new customers where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 180 days.

Included in the trade receivables are bills receivables amounted to approximately HK$594,000 (2010: HK$10,117,000) aged within one year.

At the end of reporting period, the aging analysis of the trade and bills receivables, net of allowance for doubtful debts was as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**740**	7,248
91 – 180 days	**–**	4,383
181 – 365 days	**–**	–
Over 1 year	**83**	–
	823	11,631

(a) As of the end of reporting period, the aging analysis of trade receivables that were past due but not impaired are as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			<90 days	91 to 365 days	Over 1 year
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31/3/2011	823	740	–	83	–
31/3/2010	11,631	11,631	–	–	–

Trade receivables that were neither past due nor impaired related to wide range of customers for whom there was no recent history of default. The Group did not hold any collateral over these balances.

Trade receivables that were past due but not impaired at 31 March 2011 related to an individual customer that had a good track record with the Group. Based on past experience, management believes that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral over these balances.

(b) Movements in the allowance for doubtful debts of trade receivables in aggregate during the year are as follows:

	2011	2010
	HK$'000	*HK$'000*
Balance at beginning of the year	**719**	600
Exchange realignment	**–**	1
Acquired on acquisition of subsidiaries	**–**	671
Recognised during the year	**–**	118
Amount recovered during the year	**–**	(671)
Balance at end of the year	**719**	719

Included in the impairment loss are individually impaired trade receivables with an aggregate balance of HK$719,000 (2010: HK$719,000) which has been in financial difficulties. The Group does not hold any collateral over these balances.

(c) There were no movements for the allowance for doubtful debts of other receivables during the two years ended 31 March 2011 and 31 March 2010.

11. TRADE AND OTHER PAYABLES

At the end of reporting period, the aging analysis of the trade payables were as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**4,053**	12,898
91 – 180 days	**1,836**	1,253
181 – 365 days	**1,167**	2,795
Over 1 year	**678**	655
Trade payables	**7,734**	17,601
Receipt in advance	**5,740**	1,373
Other payables and accruals	**18,141**	20,626
	31,615	39,600

The average credit period of purchases of goods is 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

At 31 March 2011, a balance payable to Mr. Liang Jin You, a former director of certain subsidiaries of the Group, amounting to HK$828,000 (2010: HK$1,340,000) was included in other payables. The amount was unsecured, non-interest bearing and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover

The Group recorded a turnover of approximately HK$104,428,000 for the year ended 31 March 2011 (2010: HK$96,090,000). It represents an increase of approximately HK$8,338,000 or 8.68% as compared with last year.

The increase was mainly due to the positive effect on the acquisition of the remaining 49% equity interest in Star Fortune. For the illustrative purpose only, if the acquisition had been completed on 1 April 2009, total group revenue for the period would have been HK$95,993,000 instead of HK$86,514,000 for Coal mine business segment in year 2010.

Gross profit

The gross profit of the Group for the year ended 31 March 2011 was decreased to approximately HK$71,000 (2010: HK$8,078,000). This was mainly due to the reduction of management services income of HK$5,000,000 due to contract completed and reduction of income of approximately HK$4,576,000 from clock business.

Loss for the year

Loss of the Group for the year ended 31 March 2011 was increased 141.26% to approximately HK$81,955,000 (2010: approximately HK$33,970,000). This was mainly due to the increase in convertible bonds' finance cost of HK$1,089,000, change in fair value of convertible bonds of HK$1,186,000, increase impairment loss on goodwill of HK$9,665,000 and impairment loss on intangible assets of HK$41,595,000. The selling and distribution expenses was decreased 63.18% to approximately HK$1,165,000 due to management implemented tight cost control and the slow down of clock business while consolidating the coal mine business during the year.

Segment Information

Business segment

The performance of each of the Group's business segment for the year ended 31 March 2011 are set out in note 4 to the financial statements and are summarised below:

Others

There was no turnover in the year (2010: approximately HK$9,576,000), this division was under reviewed by the management.

The trading loss for the year ended 31 March 2011 was approximately HK$581,000 compared with last year of approximately HK$2,537,000.

Coal Mine Business

The Division contributed a turnover of HK$104,428,000 for the year ended 31 March 2011 (2010: HK$86,514,000) and represents 20.71% increased on 2010. Coal price was increased on different types of coal, but the costs of production was radically high.

Mine Sales and Production

During the year under review, the Group sold 1.88 million tons to have the total sales income HK$104,428,000. Details of coal sales in tons are listed in the below tables.

	Year ended 31 March	
	2011	2010
Coal sales	**1,883,853 tons**	1,882,100 tons

Coal Sales (tons) and Percentage of Coal Sales

	Coal Sales (tons)	Coal Sales in %
Large Coal	218,999	11.63
Middle Coal	401,501	21.31
Nucleus Coal	350,314	18.60
Slack Coal	840,341	44.61
Mixed Coal	72,698	3.85
Total Sales	1,883,853	100.00

Reserves and Resources

The Group owns two mining rights in the Xinjiang, PRC including Kaiyuan Openpit Coal Mine and Zexu Openpit Coal Mine. The coal reserve remaining of Kaiyuan Mine was 18.5 millions tons as at 31 March 2011. The explorations of Zexu Mine was in progress, no development or production activity has taken place at this stage and the production will be commenced in year 2015. The following tables are the estimated coal reserves for the Kaiyuan Openpit Coal Mine and estimated Coal Resources for the Zexu Openpit Coal Mine Exploration Rights area as at the year 2010 conducted by John T. Boyd Company in June 2010.

Estimated coal reserves for the Kaiyuan Openpit Coal Mine are:

Seam Bench	Average Mineable Seam Thickness (m) Total (Coal/Parting)	Marketable Reserves (tons-millions) As of 31 March 2010 Proved	Probable	Total	% of Total
		North of Current Pit (Potentially Oxidized)			
B_2	13.1	–	4.58	4.58	100.00
		Mine Plan Area			
B_3	10.8	3.57	–	3.57	25.00
B_2	19.6	10.86	–	10.86	75.00
Total		14.43	–	14.43	100.00
		Total			
B_3	10.8	3.57	–	3.57	19.00
B_2	17.7	10.86	4.58	15.44	81.00
Total		14.43	4.58	19.01	100.00

Approximately 75% of the total reserves are classified as Proved.

Estimates of Coal Resources for the Zexu Openpit Coal Mine Exploration Rights area total 119.38 Mt, as summarized below:

Seam	**Average Mineable Seam Thickness (m)**	**Marketable Resources (tons-millions) Measured**	**Indicated**	**Total**	**% of Resources**
B_7	8.5	10.23	10.46	20.69	17.33
B_6	3.9	2.77	3.98	6.75	5.65
B_5	6.3	5.80	10.42	16.22	13.59
B_4^1	1.8	0.29	0.01	0.30	0.25
B_4	6.1	6.85	10.21	17.06	14.29
B_3	6.3	8.06	8.03	16.09	13.48
B_2	21.1	22.58	19.69	42.27	35.41
Total		56.58	62.80	119.38	100.00

Costs of Sales

The cost of sales for the year was HK$104,357,000. The following table set forth the production costs in different categories.

	HK$
Materials, fuel, and power	46,296,000
Machinery rental	37,983,000
Environmental and exploration	4,144,000
Personnel expenses	3,730,000
Depreciation and amortization	9,976,000
Other expenses	2,228,000
Total Costs of Sales	104,357,000

Geographic segments

Hong Kong and PRC (other than Hong Kong) were the major geographical segments of the Group for the year ended 31 March 2011. Ratio analysis by geographical segments for the Group's turnover for the year ended 31 March 2011 is as follows :

	Europe		**Hong Kong**		**PRC (other than Hong Kong)**	
	2011	2010	**2011**	2010	**2011**	2010
	%	%	**%**	%	**%**	%
Segment turnover:						
to total turnover	**0**	1.17	**0**	5.33	**100**	93.50

Liquidity and Financial Resources

As at 31 March 2011, the Group had:

- net current assets of approximately HK$235,054,000 (2010: approximately HK$114,852,000).

- bank balances and cash of approximately HK$225,857,000 (2010: approximately HK$286,711,000) which were the major components of the Group's current assets of approximately HK$267,242,000 (2010: approximately HK$363,530,000).

- current liabilities of approximately HK$32,188,000 (2010: approximately HK$248,678,000) which were mainly composed of amount due to a minority shareholder approximately HK$28,500,000 for the year ended 31 March 2010 (2011: Nil) and convertible loan notes (liability component only) with carrying amount of approximately HK$180,410,000 for the year ended 31 March 2010 (2011: Nil).

- non-current liabilities of approximately HK$227,128,000 (2010: approximately HK$35,154,000) which were mainly composed of deferred tax liability of HK$24,069,000 (2010: HK$33,364,000) and the extended convertible loan notes at fair value approximately HK$201,186,000 (2010: Nil).

Since the convertible loan notes (liability component only) was a component of long term liabilities for the year ended 31 March 2011 but current liabilities in 2010, the Group's gearing ratio was greatly increased to approximately 172.48% (2010: 19.38%). The computation is based on long-term borrowings of the Group divided by shareholder's equity before minority interests as at 31 March 2011.

Charges on Group's Assets

As the financial year ended 31 March 2011, none of trade receivables was pledged to secure the borrowing (2010: Nil), no leasehold land and buildings or investment properties of the Group were pledged to secure general banking facilities granted to the Group (2010: Nil).

Significant Investments and Material Acquisitions

On 3 July 2009, the Group completed the acquisition of 51% equity interest in Star Fortune International Investment Co. Ltd., which engages in mining, sales and distribution of coal in the PRC, at an aggregate consideration of HK$104,066,000 including legal and professional fees directly attributable to the acquisition amounting to approximately HK$4,066,000. On 17 August 2010, the Group completed the acquisition of further 49% equity interest from the joint venture partner in respect of our existing mining interest in Xinjiang Province, at an aggregate consideration of HK$52,733,000 including legal and professional fees amounting to approximately HK$2,733,000. The gross margin and the operating profit of coal mine business diminished to 0.07% (2010: 0.27%) and HK$71,000 (2010: HK$234,000), respectively, due to the adverse effect of significant increased in production cost during the year 2011 and sluggish market activities in the first and second quarter of the year. Although strong business rebound was encountered in the third quarter and last quarter, the results was still discouraging, we are positive about the future business result with our new management team in PRC.

Discontinued Operation

During the year ended 31 March 2011, there was no discontinued operation in the Group.

Foreign Exchange Exposure

The Group mainly earns revenue in RMB and incurs costs in RMB and Hong Kong dollars. The Group is exposed to foreign exchange risk based on fluctuations between the Hong Kong dollars and the RMB arising from its core operation in the PRC. In order to limit this foreign currency risk exposure, the Group maintained cash balance that approximate three to four months' of operating cash flows.

Treasury Policies

The Group generally finances its operation with internal generated resources.

Contingent Liabilities

As at 31 March 2011, the Group did not have any contingent liabilities (2010: Nil).

Employees

As at 31 March 2011, the Group had 115 employees (2010: 115) spreading among Hong Kong, the PRC and Germany. Industrial relationship has been well maintained. The Group has adopted an extensive training policy for its employees. It has also sponsored senior executives for higher education programs. The Group has adopted a share option scheme whereby certain employees of the Group may be granted options to acquire shares of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

In the opinion of the directors of the Company, the Company has during the year ended 31 March 2011 complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), except the following aspects:

1. For the sake of flexibility, the Board holds meeting whenever necessary. During the year ended 31 March 2011, the Board held six meetings which exceeded the minimum number of board meetings required under Code provision A.1.1.

2. Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. During the year ended 31 March 2011, the Company did not have any officer with CEO title. Ms. Lo Fong Hung, the Chairperson and Managing Director of the Company, also carried out the responsibility of CEO during such period. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company's strategies.

3. Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting of the Company. Due to other business commitment, Ms. Lo Fong Hung, the Chairperson of the Board, was unable to attend the annual general meeting of the Company held on 10 August 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its directors. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2011.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive directors of the Company, namely, Messrs. Wong Man Hin, Raymond, Lam Ka Wai, Graham and Chan Yiu Fai, Youdey. The audit committee has reviewed with the management the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 March 2011.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprises four members, an executive director of the Company namely, Mr. Kwan Man Fai and three independent non-executive directors of the Company namely, Messrs. Wong Man Hin, Raymond, Lam Ka Wai, Graham and Chan Yiu Fai, Youdey. The remuneration committee has adopted the terms of reference, which are in line with the Code.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.inren.com.hk. The annual report of the Company for the year ended 31 March 2011 containing all information required by the Listing Rules will be despatched to shareholders and published on above websites in due course.

By Order of the Board
International Resources Enterprise Limited
Wang Xiangfei
Executive Director

Hong Kong, 20 June 2011

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Lo Fong Hung, Mr. Wang Xiangfei and Mr. Kwan Man Fai, and three independent non-executive Directors, namely Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.