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IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

On 12 April 2019 (after trading hours), the Company entered into Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 166,200,000 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share. Completion of the Subscription is conditional upon, among others, the granting of and the permission to deal in the Subscription Shares on GEM of the Stock Exchange by the Listing Committee.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the completion of the Subscription, the 166,200,000 Subscription Shares represent (i) approximately 20.0% of the issued Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares. The gross proceeds and the net proceeds from the Subscription are approximately HK\$8.3 million and approximately HK\$8.1 million respectively.

Shareholders and potential investors should note that the Subscription is subject to the fulfillment of the condition(s) as set out in the Subscription Agreement, and the Subscription may or may not proceed to completion. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 12 April 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber for the Subscription, the principal terms of which are set out below.

Date:

12 April 2019 (after trading hours)

Parties:

- (i) The Company as the issuer; and
- (ii) The Subscriber as the subscriber.

The Subscriber is an investment holding company incorporated in the British Virgin Islands with limited liability. It is wholly-owned by an individual who has substantial experience in the business of media and culture promotion in the People's Republic of China and whom the Company has become acquainted with through business network. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its beneficial owner are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

The Subscription Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the completion of the Subscription, the 166,200,000 Subscription Shares represent (i) approximately 20.0% of the issued Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares. Based on the closing price of the Shares of HK\$0.031 per Share as at the date of the Subscription Agreement, the Subscription Shares have a market value of HK\$5,152,200. The nominal value of the Subscription Shares is HK\$8,310,000.

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with other Shares in issue on the date of allotment and issue of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.05 per Subscription Share, which is same as the par value of the Share, was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market prices of the Shares and the par value of the Shares, and represents:

- (i) a premium of approximately 61.3% over the closing price of HK\$0.031 per Share as quoted on the Stock Exchange on 12 April 2019, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 31.6% over the average closing price of HK\$0.038 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The gross proceed and the estimated net proceed from the Subscription will amount to approximately HK\$8.3 million and approximately HK\$8.1 million, respectively. The net price per Subscription Share is therefore estimated to be approximately HK\$0.049.

The Subscription Price will be payable by the Subscriber in cash at completion of the Subscription.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting of the listing of, and permission to deal in, the Subscription Shares;
- (b) trading in the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to the completion of the Subscription Agreement;
- (c) there being no indication received from the Stock Exchange that the listing of the Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time after completion of the Subscription Agreement, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (d) the respective warranties of the Company and the Subscriber under the Subscription Agreement remaining true and accurate in all material respects;
- (e) the Company having obtained all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscription and the transactions contemplated under the Subscription Agreement; and
- (f) the Subscriber having obtained all necessary consents and approvals as may be required to be obtained on the part of the Subscriber in respect of the Subscription and the transactions contemplated under the Subscription Agreement.

Save and except that the Subscriber may, at its sole discretion, waive condition (d) in respect of the warranties given by the Company, all the conditions (a), (b), (c), (d), (e) and (f) shall not be waived by the Company and/or the Subscriber. In the event that any of the conditions not being fulfilled or waived in full by 26 April 2019 (or such other time and date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement shall cease and terminate and thereafter, neither party shall have any obligations and liabilities hereunder save for any antecedent breaches of the provisions under the Subscription Agreement.

Completion of the Subscription will take place on or before the fifth business days (or such later date as agreed between the Company and the Subscriber) after the fulfilment or waiver (as the case may be) of the conditions as set out above (the “Completion Date”).

The Subscriber undertakes to the Company that it shall not dispose of the Subscription Shares within 3 months from the Completion Date unless having obtained the prior written consent from the Company.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

The General Mandate

Under the General Mandate, the Directors are authorised to allot and issue up to 166,252,242 new Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. Since all the Subscription Shares will be issued under the General Mandate, the Subscription is not subject to approval of the Shareholders.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the table of the shareholding structure of the Company before and after completion of the Subscription:

	As at the date of this announcement		Immediately after the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Million Pacific Holdings Corporation	163,101,612	19.62%	163,101,612	16.35%
The Subscriber	–	–	166,200,000	16.66%
Public Shareholders	668,159,600	80.38%	668,159,600	66.99%
Total	831,261,212	100.00%	997,461,212	100.00%

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in (i) the forestry and agricultural business; (ii) the financial services business; (iii) the logistics business; and (iv) the cultural business.

As described in the annual report of the Company for the year ended 31 December 2018, the worldwide economic uncertainties resulting from, inter alia, the Sino-United States trade war is expected to adversely affect the Group. The Company considers that the Subscription represents a good fund raising opportunity to the extent that it will provide additional financial resources for the Group to shelter it from any unexpected market condition. It is expected that the net proceed of approximately HK\$8.1 million from the Subscription will be applied for the Group's working capital (such as general corporate and administrative expenses).

The Directors consider that the Subscription will enlarge the shareholder and capital base of the Company and also increase the overall liquidity of the Shares and strengthen the financial position of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Subscription Agreement (including the Subscription Price) are of normal commercial terms and are fair and reasonable and the entering into of the Subscription Agreement is in the interests of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

Shareholders and potential investors should note that the Subscription is subject to the fulfillment of the condition(s) as set out in the Subscription Agreement, and the Subscription may or may not proceed to completion. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange

“General Mandate”	the general mandate granted by the Shareholders to the Directors at the special general meeting of the Company held on 30 April 2018 to allot, issue and deal with up to 166,252,242 new Shares, representing 20% of the number of issued Shares as at the date of that special general meeting
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share(s) of HK\$0.05 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mega Trillion International Corporation, a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Subscription”	the subscription of the Subscription Shares by the Subscriber
“Subscription Agreement”	the subscription agreement dated 12 April 2019 and entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.05 per Subscription Share
“Subscription Shares”	166,200,000 new Shares to be issued and allotted to the Subscriber pursuant to the terms of the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the board of Directors of
IR Resources Limited
Chan Ching Hang
Chairman

Hong Kong, 12 April 2019

As at the date of this announcement, the board of Directors comprises two executive Directors, namely, Mr. Chan Ching Hang and Mr. Zeng Lingchen; and three independent non-executive Directors, namely, Mr. Cheung Yin Keung, Mr. Hong Bingxian and Ms. Pang King Sze, Rufina.

This announcement, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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