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**IR Resources Limited**

**同仁資源有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8186)**

## **PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

### **SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

The Company proposes to implement (i) the Share Consolidation to consolidate every eight Existing Shares into one Consolidated Share and (ii) the Change in Board Lot Size to change the board lot size from 20,000 Existing Shares to 5,000 Consolidated Shares.

The Share Consolidation is conditional upon, among other things, approval by the Shareholders at the SGM. A circular containing further information on the Share Consolidation and a notice to convene the SGM will be despatched to the Shareholders on or before 19 January 2021.

### **THE SHARE CONSOLIDATION**

The Company proposes to implement the Share Consolidation to consolidate every eight issued and unissued Existing Shares into one Consolidated Share.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and
- (ii) the Stock Exchange granting the approval for listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation is expected to become effective one clear business day after the date of the SGM.

## **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 shares of HK\$0.01 each, of which 124,682,651 Existing Shares have been allotted and issued, and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that the Company will not allot, issue or repurchase any Existing Shares prior to completion of the Share Consolidation, the authorised share capital of the Company will be HK\$200,000,000 divided into 2,500,000,000 Consolidated Shares of HK\$0.08 each, of which 15,585,331 Consolidated Shares will be in issue.

Other than the relevant expenses incurred, implementation of the Share Consolidation will have no material effect on the consolidated total asset value of the Company, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders as a whole, save for any fractional Consolidated Shares (if any) to which the Shareholders would otherwise be entitled.

## **Status of the Consolidated Shares**

The Consolidated Shares shall rank *pari passu* in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

## **Listing Application**

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares. Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares is listed or dealt in on any other stock exchange other than the Stock Exchange and the Consolidated Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

### **Odd lots trading arrangement**

To facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint a designated broker to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

The new share certificates of the Consolidated Shares will be issued in purple colour which is different from that of the existing share certificates. Shareholders may, on or after 8 February 2021 until 18 March 2021 (both days inclusive), submit share certificates for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of eight

Existing Shares for one Consolidated Share). Thereafter, share certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be specified by the Stock Exchange from time to time) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

After 4:10 p.m. on 16 March 2021, share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for trading, settlement and registration.

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Existing Shares.

### **THE CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are currently traded on the Stock Exchange in the board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Consolidated Shares conditional upon the Share Consolidation becoming effective. The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

Based on the closing price of HK\$0.106 per Existing Share as quoted on the Stock Exchange on the date of this announcement, (i) the market value per board lot of 20,000 Existing Shares is HK\$2,120; and (ii) the theoretical market value per board lot of 5,000 Consolidated Shares would be HK\$4,240.

### **REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE**

The Existing Shares have predominantly been trading at below HK\$0.1 during the past 12 months. 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 may be required to proceed with a consolidation of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited, (i) market price of the securities of an issuer at a level less than HK\$0.1 will be considered as trading at extremities; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. As mentioned above, the closing price of the Existing Shares at the date of this announcement was HK\$0.106 and the Existing Shares were trading at board lot value of HK\$2,120. After the Share Consolidation and the Change in Board Lot Size have become effective, the theoretical market value of each new board lot will be HK\$4,240.

The Share Consolidation and the Change in Board Lot Size will reduce the number of new board lots and increase the value of each new board lot. Transaction fees are typically charged either per board lot or by trading amount. For transaction fees charged per board lot, transaction costs of dealings in fewer board lots are lower than those for more board lots. For transaction fees charged by trading amount, particularly for those that are subject to a minimum charge, increasing the value of each board lot will save costs for investors. The Share Consolidation is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and, together with the Change in Board Lot Size, will reduce the overall transaction costs of dealings in each board lot of the Consolidated Shares as a proportion of the market value of each board lot, which will improve the liquidity of the Consolidated Shares.

In addition, the low trading price of the Existing Shares may give potential investors the impression that the market value of the Company is low, resulting in investment in the Existing Shares becoming less attractive. With a higher trading price of the Consolidated Shares, the corporate image of the Company will be enhanced, thereby attracting more investors trading in the Consolidated Shares.

Given the above, the Company considers that the Share Consolidation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole despite the potential costs and negative impact arising from the creation of odd lots to Shareholders.

As stated in its previous announcements, the Company has been actively looking for fund raising opportunities in order to strengthen its financial position and to meet payment obligations as they fall due. For such purpose, the Company may conduct fund raising exercises or other corporate actions in the next twelve months. However, as at the date of this announcement, the Company has no specific plans and has not reached any decision in respect of whether any fund raising exercise or other corporate action will or will not be undertaken, and if so, the manner in which it will be undertaken. Any such fund raising exercise or corporate action will be carried out by the Company in compliance with the GEM Listing Rules.

**EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation and the Change in Board Lot size is as follows:

<b>Event</b>	<b>Time and date 2021</b>
Expected date of despatch of the circular with notice and form of proxy of the SGM . . . . .	On or before Tuesday, 19 January
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM. . . . .	4:30 p.m. Thursday, 28 January

<b>Event</b>	<b>Time and date 2021</b>
Closure of register of members for determining the entitlement to attend and vote at the SGM . . . . .	Friday, 29 January to Thursday, 4 February (both days inclusive)

Latest date and time for lodging forms of proxy for the SGM . . . . . 4:00 p.m. Tuesday, 2 February

Date and time of the SGM. . . . . 4:00 p.m. Thursday, 4 February

Announcement of poll results of the SGM. . . . . Thursday, 4 February

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation as set out in the paragraph headed “Conditions of the Share Consolidation” of this announcement:

<b>Event</b>	<b>Time and date 2021</b>
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Effective date of the Share Consolidation . . . . . Monday, 8 February

First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares. . . . . Monday, 8 February

Commencement of dealings in the Consolidated Shares . . . . . 9:00 a.m. on Monday, 8 February

Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . . 9:00 a.m. on Monday, 8 February

Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) opens . . . . . 9:00 a.m. on Monday, 8 February

Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . . 9:00 a.m. on Wednesday, 24 February

<b>Event</b>	<b>Time and date 2021</b>
Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences .....	9:00 a.m. on Wednesday, 24 February
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares .....	9:00 a.m. on Wednesday, 24 February
Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) closes .....	4:10 p.m. on Tuesday, 16 March
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends .....	4:10 p.m. on Tuesday, 16 March
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares .....	4:10 p.m. on Tuesday, 16 March
Latest date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares .....	4:30 p.m. on Thursday, 18 March

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and if, thought fit, approve the Share Consolidation. A circular containing, among other things, (i) further information on the Share Consolidation and the Change in Board Lot Size and (ii) a notice to convene the SGM will be despatched to the Shareholders on or before 19 January 2020.

**The Share Consolidation is conditional upon, among other things, (i) the passing of an ordinary resolution by the Shareholders at the SGM; and (ii) the Stock Exchange granting the approval for listing of, and permission to deal in, the Consolidated Shares. In the event that the relevant approval is not granted by the Stock Exchange or the Shareholders, the Share Consolidation will not proceed.**

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS from time to time
“Change in Board Lot Size”	the change in board lot size of the 20,000 Existing Shares for trading on the Stock Exchange to 5,000 Consolidated Shares
“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability with its issued shares listed on GEM of the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.08 each in the share capital of the Company after the Share Consolidation becoming effective
“Existing Share(s)”	the ordinary share(s) of HK\$0.01 each prior to the Share Consolidation becoming effective
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	The Hong Kong Securities Clearing Company Limited



“SGM”	the special general meeting of the Company to be convened and held for its shareholders to consider, and if thought fit, approve the Share Consolidation
“Share Consolidation”	the consolidation of every eight Existing Shares into one Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For and on behalf of the Board  
**IR Resources Limited**  
**Chan Chi Kwong Dickson**  
*Company Secretary*

Hong Kong, 13 January 2021

*As at the date of this announcement, the Board comprises Ms. He Xuemei (Chairperson) as executive director, Ms. He Lamei as non-executive director and Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Huang Zhe as independent non-executive directors.*

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