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## **IR RESOURCES LIMITED**

### **同仁資源有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8186)**

## **MAJOR TRANSACTION — UPDATE AND FURTHER DELAY IN DESPATCH OF CIRCULAR IN RELATION TO FORMATION OF JOINT VENTURES AND BUSINESS RESTRUCTURING OF THE GROUP**

Reference is made to the announcements of the Company dated 17 July 2015, 24 February 2016 and 30 March 2016 (the “Announcements”) relating to the Subscription Agreement. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

### **UPDATE AND FURTHER DELAY IN DESPATCH OF CIRCULAR IN RELATION OF THE SUBSCRIPTION AGREEMENT**

The Company is pleased to announce that the Group is procuring an independent third party which possesses substantial experience in the timber logging and wood processing industry (the “New Subscriber”) in the PRC and the Southeast Asia to be a new subscriber to the Subscription Agreement. Accordingly, additional time is required for the Subscribers and the New Subscriber to negotiate and agree on the management and shareholding structures in respect of the Group’s timber logging and processing business. Given the experience of and the expected value to be contributed by the New Subscriber, the Company is keen to take the New Subscriber in the Group’s timber logging and processing business and to complete the Subscription Agreement together with the New Subscriber as soon as practicable.

Despite the delay in the completion of the Subscription Agreement and the Plantation Cooperation Agreement, the Group, the Subscribers, the Plantation Partner and the New Subscriber intend to develop the Group’s timber logging and plantation businesses without delay. In this connection, the Group entered into cooperation agreements with the New Subscriber and the Plantation Partner, respectively, in May 2016. Pursuant to the timber logging and processing cooperation agreement between the Group and the New Subscriber, the New Subscriber will, together with the management team of the Group, be responsible for the timber logging and operation of the Group’s timber processing factory and provide additional funding for a period of one year or till completion of the Subscription Agreement, whichever is earlier, and the New Subscriber will be entitled to a profit

sharing of 20%. Pursuant to the supplemental plantation cooperation agreement between the Group and the Plantation Partner, the Plantation Partner will, together with the management team of the Group, be responsible for implementation of the plantation plan in respect of the Three Forests for a period of one year or till completion of the Plantation Cooperation Agreement, whichever is earlier, and has undertaken that the plantation volume in 2016 will not be less than those required by the Cambodian government. The Plantation Partner will be entitled to a profit sharing of 20% of the produces planted during the co-operation period under the supplemental plantation cooperation agreement.

The Group and the Plantation Partner are developing the plantation plan and will implement plantation as scheduled in the second half of 2016 pursuant to the above-mentioned supplemental plantation cooperation agreement and the Plantation Cooperation Agreement (upon completion). Accordingly, the Group's timetable to finalize the plantation plan and commencement of the plantation activities is not expected to be materially altered and therefore, no adverse impact on the Economic Land Concessions is expected.

As stated in the Announcements, the Circular is expected to be despatched to the Shareholders on or before 31 May 2016. Since additional time is required to finalise the Circular pending on the conclusion of the above negotiation, information on the New Subscriber and finalization of the relevant management and shareholding structures of the Group's timber logging and processing business after the introduction of the New Subscriber, the Circular is expected to be despatched in June 2016.

By Order of the Board of  
**IR Resources Limited**  
**Yu Xiao Min**  
*Chairperson of the Board of Directors*

Hong Kong, 20 May 2016

*As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely, Ms. Yu Xiao Min, Ms. Xu Miaoxia and Mr. Zeng Lingchen; and three independent non-executive directors, namely Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Hung Kenneth.*

*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, 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 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>.*