
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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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 REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and
the Independent Shareholders**



A notice convening the special general meeting (“SGM”) of the Company to be held at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Sunday, 10 July 2016 at 1:00 p.m., is set out on pages 21 to 23 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company at www.irresources.com.hk.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the principal place of business of the Company in Hong Kong at 36th Floor, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.

This circular 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 www.irresources.com.hk.

21 June 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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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 5 April 2016
“Board”	the board of Directors from time to time
“Bye-laws”	the bye-laws of the Company
“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Consolidated Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company after the Share Consolidation having become effective
“Director(s)”	the director(s) of the Company from time to time
“Existing General Mandate”	the general mandate granted at the AGM to the Directors to allot, issue and deal with Shares up to 20% of the issued Shares as at the date of the AGM (i.e. up to a maximum of 524,790,193 new Shares)
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the New General Mandate

DEFINITIONS

“Independent Financial Adviser” or “Reorient”	REORIENT Financial Markets Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New General Mandate
“Independent Shareholder(s)”	Shareholders other than any controlling Shareholders and their associates or where there are no controlling Shareholders, any Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the SGM
“Latest Practicable Date”	16 June 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“New General Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the SGM to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the issued Shares as at the date of passing of the relevant resolution
“Rights Issue”	the rights issue of the Company on the basis of ten (10) Shares for every one (1) Share, details of which are disclosed in the prospectus of the Company dated 5 May 2016
“SGM”	the special general meeting of the Company to be convened and held at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Sunday, 10 July 2016 at 1:00 p.m. to consider and, if thought fit, approve, the grant of the New General Mandate

DEFINITIONS

“Shares”	ordinary share(s) of HK\$0.001 each of the Company holder(s) of the Share(s) from time to time
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares into one (1) Consolidated Share in the share capital of the Company, details of which are disclosed in the circular of the Company dated 31 May 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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:

YU Xiao Min (*Chairperson*)

XU Miaoxia

ZENG Lingchen

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent non-executive Directors:

PANG King Sze, Rufina

HONG Bingxian

HUNG Kenneth

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

36th Floor, Times Tower

391-407 Jaffe Road

Wanchai, Hong Kong

21 June 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with (i) information in respect of the resolution to be proposed at the SGM regarding the proposed grant of the New General Mandate; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the grant of the New General Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate; and (iv) a notice of the SGM.

LETTER FROM THE BOARD

REFRESHMENT OF EXISTING GENERAL MANDATE

Existing General Mandate

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot and issue not more than 524,790,193 new Shares, being 20% of the number of Shares in issue as at the date of the AGM. Since the granting of the Existing General Mandate and up to the Latest Practicable Date, no new Shares have been issued under the Existing General Mandate.

Proposed refreshment of the Existing General Mandate

The Company will convene the SGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the SGM.

As at the Latest Practicable Date, the Company had 28,863,460,615 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New General Mandate and assuming that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to allot and issue up to 5,772,692,123 new Shares (or 577,269,212 new Consolidated Shares after the Share Consolidation having become effective on 22 June 2016 subject to the Shareholders' approval to the relevant resolution as detailed in the circular of the Company dated 31 May 2016) under the New General Mandate, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The New General Mandate shall continue to be in force during the period from the date of passing of the resolution for the approval of the New General Mandate up to (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the New General Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

LETTER FROM THE BOARD

Reasons for the New General Mandate

The Group is principally engaged in (i) forestry and agricultural business (sale of wood and agricultural produce) and (ii) resources and logistics business.

Under the GEM Listing Rules, a general mandate is allowed to be granted based on 20% of a company's issued shares. An ordinary resolution was passed at the AGM that the Company was allowed to allot and issue up to 20% of the issued Shares as at the date of the AGM (i.e. 524,790,193 new Shares) under the Existing General Mandate. However, following completion of the Rights Issue in May 2016, the number of Shares in issue had been significantly increased from 2,623,950,965 Shares as at the date of the AGM to 28,863,460,615 Shares as at the Latest Practicable Date. As a result, the Existing General Mandate represents only approximately 1.82% of the issued shares of the Company as at the Latest Practicable Date and is significantly below the 20% threshold allowed under the GEM Listing Rules. Accordingly, the refreshment of the Existing General Mandate based on the existing issued Shares shall provide a more meaningful basis for granting a general mandate.

It is the intention of the Group to, subject to regular reviews after implementation of the business plan of the Group, speed up the development of its timber logging and plantation businesses and seek appropriate business opportunities with a view to diversifying its business portfolio for business risk management and enhancement of return to the Shareholders. In addition, the Group also plans to expand its resources and logistics business segment and, in this connection, the Group entered into a framework agreement with an independent solar power operator in April 2016, pursuant to which the solar power operator will identify and procure solar power generation business opportunities to the Group. Although the Company has not implemented any plan to speed up development of its timber logging business nor concluded any business opportunities, the Company may require additional funding to accelerate and diversify its business development before the next annual general meeting of the Company. Accordingly, the New General Mandate will enhance the Company's financial flexibility as it will provide a simpler and less lead time process than other types of fund raising methods to enable the Group to promptly respond to fund raising and business opportunities when they become available. As at the Latest Practicable Date, the Company does not have any current intention nor has been in any ongoing negotiation for any equity fund raising exercise. Given the above, the Directors are of the view that the New General Mandate is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below is a summary of the Company's equity fund raising exercises in the past twelve months immediately proceeding the Latest Practicable Date:

Date of prospectus	Event	Net proceeds raised <i>(approximately)</i>	Intended use of proceeds	Actual use of proceeds
5 May 2016	Rights Issue	HK\$256 million	(i) HK\$170 million for repayment of loans and payables	Approximately HK\$152 million used as intended and the remaining balance to be used as intended
			(ii) HK\$50 million as general working capital and business development	To be utilised as intended
			(iii) HK\$36 million for potential investment opportunities	To be utilised as intended

The abovementioned unutilised proceeds have been deposited into a licensed bank in Hong Kong. Save as disclosed above, the Company had not conducted any equity fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders on the proposed grant of the New General Mandate. REORIENT Financial Markets Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

LETTER FROM THE BOARD

SGM

The SGM will be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, on Sunday, 10 July 2016 at 1:00 p.m. for the Independent Shareholders to consider and approve the proposed grant of the New General Mandate, by way of a poll. The notice of the SGM is set out on pages 21 to 23 to this circular.

As the proposed grant of the New General Mandate is to be proposed to the Shareholders before the Company’s next annual general meeting, pursuant to the GEM Listing Rules, the proposed grant of the New General Mandate is subject to the approval of the Independent Shareholders by way of a poll at the SGM. According to Rule 17.42A of the GEM Listing Rules, 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 resolution to approve the proposed grant of the New General Mandate.

As at the Latest Practicable Date, the Company has no controlling Shareholder and Ms. Yu Xiao Min (“Ms. Yu”), an executive Director, beneficially owns 120,000,000 Shares (representing approximately 0.42% of the number of issued Shares as at the Latest Practicable Date). Accordingly, Ms. Yu and her associates will abstain from voting in favour of the resolution relating to the proposed grant of the New General Mandate. The Company has been informed by Ms. Yu that she has no intention to vote against the resolution relating to the proposed grant of the New General Mandate at the SGM. Save as the aforesaid, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other Director or any of his/her associates holds any Shares as at the Latest Practicable Date and no Shareholder has a material interest in the proposed grant of the New General Mandate and is required to abstain from voting on the resolution approving the proposed grant of the New General Mandate at the SGM pursuant to the GEM Listing Rules.

A proxy form for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the registered office of the Company at 36/F., Times Tower, 391–407 Jaffe Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournments thereof. Completion and return of the proxy form will not preclude you from attending and voting at the SGM or any adjournments thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed revoked.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 10 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 11 to 20 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the New General Mandate.

The Directors consider that the proposed grant of the New General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors after their review of the letter of advice from the Independent Financial Adviser) recommend the Independent Shareholders to vote in favour of the relevant proposed resolution in relation to the above at the SGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
IR Resources Limited
Yu Xiao Min
Chairperson of the Board

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



IR Resources Limited

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

21 June 2016

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 21 June 2016 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, capitalised terms herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. REORIENT Financial Markets Limited has been appointed as the independent financial adviser to advise us in this respect.

Having taken into account the principal reasons and factors considered by, and the advice and recommendation of the Independent Financial Adviser as set out in its letter of advice to us on pages 11 to 20 of the Circular, we are of the opinion that the terms of the proposed grant of the New General Mandate are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

Yours faithfully,
For and on behalf on the
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from REORIENT Financial Markets Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, for the purpose of incorporation into this circular.



Suites 3201-3204
One Exchange Square
8 Connaught Place, Central, Hong Kong

21 June 2016

*The Independent Board Committee and
the Independent Shareholders*
IR Resources Limited

Dear Sirs,

PROPOSED GRANT OF NEW GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the proposed grant of the New General Mandate, details of which are set out in the circular of the Company dated 21 June 2016 (the “Circular”) of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context requires otherwise.

The Board proposes to refresh the Existing General Mandate for the Directors to allot and issue with new Shares of not more than 20% of the existing issued share capital of the Company as at the Latest Practicable Date. Based on 28,863,460,615 issued Shares as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company prior to the date of the SGM, the New General Mandate, if granted, will allow the Directors to allot and issue up to 5,772,692,123 new Shares (or 577,269,212 new Consolidated Shares assuming the Share Consolidation having become effective on 22 June 2016).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 17.42A of the GEM Listing Rules, any refreshments of the general mandate before the next annual general meeting shall be subject to the approval of the independent shareholders at the general meeting, at which any controlling shareholders and their associates or, where there are no controlling shareholders, 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 relevant resolution to approve the proposed grant of the New General Mandate.

As at the Latest Practicable Date, the Company had no controlling Shareholder and Ms. Yu, the executive Director, held 120,000,000 Shares (representing approximately 0.42% of the number of issued Shares as at the Latest Practicable Date) through her wholly-owned company, Ritz Management Limited (“Ritz Management”). Ritz Management will abstain from voting in favour of the resolution relating to the proposed grant of the New General Mandate. Save as the aforesaid, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other Director held any Shares as at the Latest Practicable Date.

The Independent Board Committee comprising all the independent non-executive Directors has been established to give advice and recommendation to the Independent Shareholders in relation to the proposed grant of the New General Mandate.

We, REORIENT Financial Markets Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the proposed grant of the New General Mandate are fair and reasonable, in the interests of the Company and its Shareholders as a whole; and (ii) whether to vote for or against the resolution in respect of the proposed grant of the New General Mandate.

In formulating our opinion, we have relied upon the information, facts and representations contained in the Circular and those supplied or made available by the management of and advisers to the Company to us. We have assumed that all such information, facts and representations were true and accurate in all respects at the time they were supplied or made and continue to be true and accurate as at the Latest Practicable Date and can be relied upon. We have no reason to doubt the truth, accuracy and completeness of such information and representations and have confirmed with the management of the Company that no material facts have been withheld or omitted from such information and representations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have taken all reasonable and necessary steps to comply with the requirements set out in Rule 17.92 of the GEM Listing Rules. We consider that we have been provided with sufficient information to enable us to reach an informed view. We have not, however, conducted any independent verification of such information or any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor have we carried out any in-depth research on the Group and its associates.

During the past two years, we acted as the independent financial adviser of the Company in respect of a rights issue providing our independent view to the Company's independent board committee and the independent shareholders. Apart from normal professional fees for our services to the Company in connection with the engagement described above, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we are not aware of any relationships or interests between us and the Company or its substantial shareholders, directors or chief executive, or any of their respective associates. We are independent under Rule 17.96 of the GEM Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the proposed grant of the New General Mandate.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinion on the proposed grant of the New General Mandate, we have taken into consideration the following principal factors:

Business of the Group

The Group owns the economic land concessions (the "Economic Land Concessions") in respect of three forests (the "Three Forests") in the Kingdom of Cambodia ("Cambodia") which allow the Group to use the Three Forests for agriculture and/or industrial exploitation. The Group plans to log the existing trees growing at the Three Forests and subsequently plant rubber trees or other plants on the Three Forests. The Group plans to sell the timbers from the initial logging and then rubber or other produces from its plantation.

The Shareholders are advised to refer to the audited financials and positions of the Group (i) for the three months ended 31 March 2016 as set out in the first quarterly report of the Company (the "2016 First Quarterly Report"); and (ii) for the years ended 31 December 2014 and 2015 as set out in the annual report of the Company (the "2015 Annual Report") full details of the Group's financial statements and the opinion of the auditors of the Company, particularly the auditors' qualified opinion in respect of the financial statements of the Group for the year ended 31 December 2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Trading in the Shares was suspended from 2 April 2013 to 25 February 2016 as a result of the Company's failing to timely publish its financial information in accordance with the GEM Listing Rules. The Company published all outstanding financial statements/information on 24 February 2016 and trading in the Shares resumed on 26 February 2016.

According to the Company, the three Economic Land Concessions are granted for a fixed term of 70 years and will expire in 2077 and 2078. The investment contracts granting the Economic Land Concessions require the Group to meet certain plantation volume requirements, failure of which may lead the Economic Land Concessions being cancelled by the Cambodian Government without compensation. The Group, due to the lack of working capital to implement the plantation plan and adverse weather conditions, has not been able to meet the plantation requirements. We have been informed by the Company that the Group is in the process of devising a feasible plantation plan for the Three Forests to reactivate the plantation business and expects to finalise the plan in the second quarter of 2016. We understand from the Company that it has discussed with the relevant authority in Cambodia that the Economic Land Concessions would not be withdrawn or confiscated and the Group will resume plantation activities in the Three Forests.

With a view to revitalizing the Group's business, the Company has proposed to carry out a restructuring exercise (the "Restructuring") including the formation of joint venture companies and other cooperation arrangements with financial and strategic investors/operators (the "Subscribers") (the "Subscription Agreement") and a plantation partner (the "Plantation Partner") (the "Plantation Agreement"). Shareholders shall refer to the Company's circular dated 22 March 2016 and announcements dated 17 July 2015, 30 September 2015, 24 February 2016 and 20 May 2016 (the "Company's Publications") for details. Shareholders should note that changes have been made to the Restructuring as announced from time to time and the Restructuring set out in this letter has not reflected the latest proposed changes to the terms of the Subscription Agreement as referred to in the announcement made by the Company on 20 May 2016 subject to the entering into of the related supplemental agreement. Therefore, Shareholders shall carefully study the terms of the Restructuring based on the Company's Publications.

As disclosed in the Company's Publications, the Group, the Subscribers and the Plantation Partner intend to develop the Group's timber logging business and plantation businesses in the soonest practicable time and prior to the completion of the Subscription Agreement and the Plantation Agreement. In this connection, the Group entered into cooperation agreements with an operator (the "Operator") who is experienced in timber logging and processing and the Plantation Partner, respectively, in May 2016. Pursuant to the timber logging and processing cooperation agreement between the Group and the logging operator, the logging operator will, together with the management team of the Group, be responsible

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

for the timber logging and operation of the Group's timber processing factory (the "Timber Business") and provide additional funding for a period of one year or till completion of the Subscription Agreement, whichever is earlier, and the logging operator will be entitled to a profit sharing of 20% of the net profit of the Timber Business upon deduction of capital contributed by the Operator. Pursuant to the supplemental plantation cooperation agreement (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 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.

Upon completion of the Plantation Agreement, the Plantation Partner shall establish a management and advisory team who are experienced in the plantation operation and provide on-going technical support to the Group's plantation business (including but not limited to plantation skills, sourcing of plantation materials, sales network, etc.). The Plantation Partner will procure that the annual plantation volume shall not be less than (a) 1,200 hectares for 2016; (b) 1,800 hectares for 2017; (c) 2,500 hectares for 2018; and (d) 3,000 hectares for each of 2019 to 2023. In the event that there is any penalty by the Cambodian government for reason that the annual plantation volume for the Three Forests is not met, the Plantation Partner will compensate Keen Wood Group Limited for such loss.

The Group recorded no revenue for the year ended 31 December 2014. The Group resumed its timber business in the second half of 2015. For the year ended 31 December 2015, the Group recorded revenue of approximately HK\$38.9 million and a gross profit of approximately HK\$10.8 million. For the three months ended 31 March 2016, the Group recorded revenue of approximately HK\$15.1 million and a gross profit of approximately HK\$3.5 million which was mainly derived from the sale of wood and agricultural produce. We understand from the Company that as at the Latest Practicable Date, the Company had not yet recorded any revenue from the plantation business and it expects to commence plantation activities of the Three Forests after the plantation plan is finalized in the second half of 2016.

The Group and the Plantation Partner are formulating the plantation plan and will implement plantation as scheduled in the second half of 2016 pursuant to the Supplemental Plantation Cooperation Agreement and the Plantation Agreement (upon completion). We understand from the Company that it plans to designate at least HK\$16 million to finance the budgeted capital expenditures and the required working capital for the proposed plantation work of the Three Forests up to 31 October 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Funding arrangements

The Group had cash and cash equivalents balances of HK\$10.577 million as at 31 March 2016.

On 30 May 2016, the Company completed the Rights Issue of 26,239,509,650 offer Shares (“Rights Share(s)”) on the basis of ten Rights Shares at a subscription price of HK\$0.01 per Right Share for every 1 Share held on record date. The net proceeds from the Rights Issue amounted to approximately HK\$256 million. The Company intends to apply the net proceeds of approximately HK\$256 million as to (i) approximately HK\$170 million for repayment of the outstanding 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 business (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 of HK\$36 million for potential investment opportunities when available.

In order to meet the working capital requirement of the timber business of the Group, certain Subscribers will enter into a working capital loan facility agreement with the Company for a term of 2 years, pursuant to which, they will in aggregate provide unsecured interest free working capital loans of up to HK\$51.75 million for carrying out of timber logging activities.

Certain other Subscribers and the Plantation Partner shall contribute necessary funds to the plantation business proportional to their effective shareholding in the Group’s plantation business for the development of the Group’s plantation business.

Liabilities and indebtedness of the Group

As at 30 April 2016, the liabilities and indebtedness of the Group amounted to approximately HK\$204 million and are short term and repayable in 2016.

As at the Latest Practicable Date, the Company had utilized approximately HK\$152 million from the proceeds from the Rights Issue to settle the outstanding amount of the liabilities of the Group.

Other potential business development

We have reviewed the business proposal of the Group in respect of its timber business and plantation business including the funding requirements and have discussed with the Company about the Group’s future potential business development and the reasons of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company for the New General Mandate as set out in details below. We understand that the Company has designated HK\$36 million from the Rights Issue for future potential investments. The Company has disclosed that it intends to, subject to regular reviews after implementation of the business plan of the Group, speed up the development of its timber logging and plantation businesses and seek appropriate business opportunities in a view to diversifying its business portfolio for business risk management and enhancement of return to the Shareholders. In addition, the Group also plans to expand its resources and logistics business and, in this connection, the Group entered into a framework agreement with an independent solar power operator in April 2016, pursuant to which the solar power operator will identify and procure solar power generation business opportunities to the Group. Although the Company has not implemented any plan to speed up development of its timber logging business nor concluded any business opportunities, the Company may require additional funding to accelerate and diversity its business development before the next annual general meeting of the Company. As at the Latest Practicable Date, the Company did not have any current intention nor had been in any ongoing negotiation for any equity fund raising exercises.

Reasons for the proposed grant of the New General Mandate

As set out in the 2016 First Quarterly Report, the Group will (i) continue to implement strategies to strength its forestry and agricultural business; (ii) re-activate and expand its resources and logistics business; (iii) keep abreast appropriate investment/ business opportunities which can leverage on the Group's management resources and expertise and broaden the Group's income sources.

We understand from the Company that subject to actual implementation of its business plan and agreement with the relevant Subscribers and the Plantation Partner, it intends to allocate up to HK\$50 million as general working capital and working capital to speed up development of its principal businesses (including the above projected working capital needs of HK\$16 million), and the remaining proceeds from the Rights Issue of approximately HK\$36 million for potential business opportunities when available. The Group will also seize debt/ equity fund raising opportunities to enhance the financial condition of the Group for continuous development.

The Existing General Mandate of the Company was approved by the Shareholders at the AGM. Based on 2,623,950,965 issued Shares as at the date of the AGM, the Existing General Mandate allows the Directors to allot and issue up to 524,790,193 Shares. Up to the Latest Practicable Date, the Existing General Mandate has not been used. As a result of the Rights Issue, the number of issued Shares substantially increased to 28,863,460,615 and the Existing General Mandate only represents approximately 1.82% of the outstanding

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issued Shares which is significantly less than the 20% allowed threshold under the GEM Listing Rules. However, the number of Shares which the Board may allot and issue under the Existing General Mandate does not automatically adjust as a result of the Rights Issue. The Rights Issue, together with the Restructuring, represents a key step to the Company's resumption proposal and the capital and shareholding structure after the Rights Issue shall provide a more meaningful basis to the purposes of granting a general mandate. If the Existing General Mandate is approved by the Shareholders at the SGM, based on 28,863,460,615 Shares as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company prior to the date of the SGM, it will allow the Directors to allot and issue up to 5,772,692,123 new Shares (or 577,269,212 new Consolidated Shares assuming the Share Consolidation having become effective on 22 June 2016).

In view of the above, it is common that a general mandate to be granted be based on 20% of a company's existing issued shares. The Company has not used any part of the Existing General Mandate. The proposed grant of the New General Mandate only aims to bring the Existing General Mandate back to the normal level, which is 20% of the existing issued Shares, like most other general mandates which represent a very common practice of listed companies in Hong Kong. Accordingly, we are of the view that the proposed grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Effect on shareholding structure

Set out below is the shareholding structure of the Company before and after the proposed grant of the New General Mandate.

	As at the Latest Practicable Date		Immediately after the issue of new Shares under the New General Mandate	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
China Wah Yan Healthcare Limited	8,455,688,637	29.30%	8,455,688,637	24.41%
Ritz Management	120,000,000	0.42%	120,000,000	0.35%
Public Shareholders	8,575,688,637	29.72%	8,575,688,637	24.76%
New General Mandate	20,287,771,978	70.28%	20,287,771,978	58.57%
	0	0.00%	5,772,692,123	16.67%
Total	28,863,460,615	100.00%	34,636,152,738	100.00%

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Assuming that the proposed grant of the New General Mandate is approved by the Independent Shareholders at the SGM and no Share will be issued and/or repurchased by the Company during the period between the Latest Practicable date of SGM, the Directors will be allowed to allot and issue up to a maximum 5,772,692,123 new Shares (or 577,269,212 new Consolidated Shares assuming the Share Consolidation having become effective on 22 June 2016) under the New General Mandate and the aggregate shareholding of the existing public Shareholders in the Company will decrease from approximately 70.28% as at the Latest Practicable Date to approximately 58.57% upon full utilization of the New General Mandate. Whilst any issue of new Shares will cause a dilution to the shareholding of an existing Shareholder, such issue of new Share may not be dilutive in terms of earnings per Share and net asset per Share depending on the then issue price and, if the Shares are to be issued for an acquisition, the fair value and the earnings of the assets/business being acquired. The dilution effect of a general mandate representing 20% of the issued capital is also a very common practice of many listed companies in Hong Kong.

Taken into account that the general benefits of the proposed grant of the New General Mandate as discussed above including in particular that the proposed grant of the New General Mandate merely aims to bring back to 20% of the existing issued Shares after the Rights Issue and the Restructuring, we consider that such potential dilution to the shareholdings of the existing public Shareholders is justifiable and acceptable.

Equity fund raising activities in the past twelve months

On 30 May 2016, the Company completed the Rights Issue of 26,239,509,650 offer Shares on the basis of ten Rights Shares at a subscription price of HK\$0.01 per Right Share for every 1 Share held on record date. Please refer to the paragraph headed “Funding arrangements” for further details on the use of proceeds.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the terms of the proposed grant of the New General Mandate are fair and reasonable and the proposed grant of the New General Mandate is in the interests of the Company and its shareholders

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as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the proposed grant of the New General Mandate.

Yours faithfully,

For and on behalf of

REORIENT Financial Markets Limited

Allen Tze

Managing Director

Mr. Allen Tze is a licensed person registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and has over 18 years of experience in corporate finance industry.

NOTICE OF SGM



IR Resources Limited

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of IR Resources Limited (the “Company”) will be held at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Sunday, 10 July 2016 at 1:00 p.m., for the purpose of considering and, if thought fit, passing the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

1. **“THAT:**

- (a) the general mandate granted to the directors of the Company (the “Directors”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 5 April 2016 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) of this resolution shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period (as defined below);

NOTICE OF SGM

(d) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (the “Bye-laws”), shall not exceed 20% of the number of the Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(e) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or
- (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

Yours faithfully
For and on behalf of the Board of
IR Resources Limited
Yu Xiao Min
Chairperson of the Board

Hong Kong, 21 June 2016

NOTICE OF SGM

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
36th Floor, Times Tower
391-407 Jaffe Road,
Wanchai, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one proxy or, if he/she/it is a holder of more than one share, more proxies to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
2. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company at 36th Floor, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the special general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the special general meeting or any adjournment thereof, should he/she/it so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.
4. The details of the proposed grant of the general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to maximum of 20% of the issued Shares are set out in the circular of the Company dated 21 June 2016.