

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



NINE RIVERS CAPITAL PARTNERS LIMITED
浚承資本有限公司

THE PLACING AGREEMENT

On 8 February 2017 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 138,540,000 new Shares to not less than six Places at the Placing Price of HK\$0.2 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate. The net proceed from the Placing is estimated to be approximately HK\$26.3 million and is intended to be used for the purposes of general working capital, future business development and possible investments of the Group.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the completion of the Placing, the maximum number of 138,540,000 Placing Shares represents (i) approximately 20% 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 Placing Shares.

Completion of the Placing is conditional upon (i) the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange having been obtained; and (ii) the Placing Agreement not being terminated.

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

PLACING OF NEW SHARES

The Company is pleased to announce that on 8 February 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement for the Placing, the principal terms of which are summarised below.

THE PLACING AGREEMENT

Date:

8 February 2017 (after trading hours)

Parties:

- (i) The Company as the issuer; and
- (ii) The Placing Agent as the placing agent.

As announced by the Company on 13 October and 1 November 2016, the Group has entered into a sale and purchase agreement to acquire 60.4% interest in the Placing Agent, the completion of which has not taken place. Upon completion of the said sale and purchase agreement, the Placing Agent will become a non wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and save as disclosed above, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and/or its connected person (as defined under the GEM Listing Rules).

The Placing Shares

The Placing Agent has conditionally agreed to place, on a best effort basis, a maximum number of 138,540,000 Placing Shares to not less than six Placees. The Placing Agent has undertaken to the Company that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with any of the Company and its subsidiaries, any of the connected persons of the Company or any of their respective associates. It is expected that no Placee will become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and completion of the Placing, the 138,540,000 Placing Shares represent, as at the date of this announcement, (i) approximately 20% of the issued Shares and (ii) approximately 16.7% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will rank pari passu in all respects among themselves and with other Shares in issue on the date of allotment and issue of the Placing Shares.

The Placing Price

The Placing Price of HK\$0.2 per Placing Share was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares and represents:

- (i) a discount of approximately 13.0% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 8 February 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.2% to the average closing price of HK\$0.2476 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

Assuming that all the 138,540,000 Placing Shares are placed in full under the Placing, the gross proceed and the estimated net proceed from the Placing will amount to approximately HK\$27.7 million and approximately HK\$26.3 million, respectively. The net price per Placing Share is therefore estimated to be approximately HK\$0.19.

Conditions of the Placing

Completion of the Placing is conditional upon (i) the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange having been obtained; and (ii) the Placing Agreement not being terminated in accordance with the terms hereof.

Completion of the Placing will take place on or before the fifth business day following the day on which the conditions as set out above are satisfied or, where applicable, waived (the "Completion Date") but not later than 28 February 2017 or such later date to be agreed between the Company and the Placing Agent (the "Long Stop Date"). If the above conditions are not satisfied and/or waived (other than condition (i) above which cannot be waived) on or before the Long Stop Date, all obligations and liabilities of the parties thereto shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save in respect of any antecedent breach of any obligation under the Placing Agreement.

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (b) there is any breach of the warranties, representations and undertakings given by the Company under the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate this Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all obligations and liabilities of the parties thereto shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save in respect of any antecedent breach of any obligation under the Placing Agreement.

Placing Commission

The Company shall pay to the Placing Agent a commission equal to 3.5% of the aggregate Placing Price of the total number of the Placing Shares actually being placed. The commission rate was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

Listing Application

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

The General Mandate

Under the General Mandate, the Directors are authorised to allot and issue up to 138,544,242 new Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. Since all the Placing Shares will be issued under the General Mandate, the Placing 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 Placing (assuming that all the Placing Shares are placed and there will be no change in the number of issued Shares between the date of this announcement and completion of the Placing):

	As at the date of this announcement		Immediately after the issue of new Shares under the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
China Wah Yan Healthcare Limited	169,113,772	24.41%	169,113,772	20.34%
Public Shareholders	523,607,440	75.59%	523,607,440	62.99%
The Placee(s)	—	—	138,540,000	16.67%
Total	692,721,212	100.00%	831,261,212	100.00%

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

It has been the intention of the Group to develop its forestry and agricultural business and to seize investment/business opportunities for the purposes of diversifying business portfolio and broadening income sources for better business risk management and enhancement of returns to the Shareholders. As disclosed in the announcement of the Company dated 14 November 2016, the Group has been in discussion on potential investments in a number of plantation farms and agricultural products processing plants in Australia and North America. Given the occurrence of a number of events during 2016 which may potentially increase the uncertainties of the future global financial and economic outlook (including the Britain's decision to leave the European Union, the victory of Mr. Donald Trump in the presidential election of the United States and the possible interest rates hikes by the Federal Reserve of the United States) and the continuous downward correction trend of China and Hong Kong economy, the Company considers that the Placing represents a good fund raising opportunity to strengthen its financial position. The Company intends to apply the net proceeds from the Placing for the purpose of general working capital, future business development and any possible investment(s) as and when the opportunities arise.

Given the above, the Directors are of the view that the terms of the Placing Agreement (including the Placing Price and the commission rate) are of normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company conducted the following equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

Date of announcement/prospectus	Events	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 liabilities	Approximately HK\$163 million used as intended and the remaining to be used as intended
			(ii) HK\$50 million as general working capital;	Approximately HK\$26 million used as intended and the remaining balance to be used as intended
			(iii) HK\$36 million for potential investment opportunities when available	Approximately HK\$33.2 million reserved for the settlement of the consideration for acquisition of the Placing Agent and the remaining balance to be used as intended
11 July 2016	Placing	HK\$21 million	Working capital	Used as settlement for the consideration and the related expenses in respect of the Group's investment in a solar power generation business

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing Agreement, and the Placing may or may not proceed. 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:

“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market 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 November 2016 to allot, issue and deal with up to 138,544,242 new Shares, representing 20% of the number of issued ordinary shares of the Company as at the date of that special general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Placee(s)”	any professional, institutional or other investor(s) or person or entity who are not connected persons of the Company (as defined under the GEM Listing Rules) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Nine Rivers Capital Partners Limited, a corporation licensed to carry out Type 1 (dealings in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent in respect of the Placing

“Placing Agreement”	the placing agreement dated 8 February 2017 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.2 per Placing Share
“Placing Shares”	up to 138,540,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“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
“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, 8 February 2017

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. Hong Bingxian, Mr. Hung Kenneth 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 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>.