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IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

SUPPLEMENTAL ANNOUNCEMENT 2016 FINAL RESULTS

Reference is made to the annual report (the “**Annual Report**”) of IR Resources Limited for the year ended 31 December 2016. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Annual Report.

The Company wishes to provide additional information in relation to the recognition of impairment loss on intangible assets during the year ended 31 December 2016. As disclosed in the Annual Report, there was a significant increase in the loss of the Company for the year ended 31 December 2016, as compared to that for the year ended 31 December 2015, mainly due to the recognition of impairment loss on the intangible assets of the Group (representing certain timber logging rights in relation to the three forests in Cambodia) of approximately HK\$265.6 million. The Group did not record any impairment loss for the year ended 31 December 2015. For the financial years 2015 and 2016, Peak Vision Appraisals Limited, an independent professional valuer engaged by the Company, had performed a valuation of the recoverable amount of the intangible assets of the Group consistently using the excess earnings method under the income approach to assess the impairment of the intangible assets of the Group and adopting assumptions mainly including (i) the estimated tree volume as at 31 December 2016 derived by a tree expert engaged by the Company; (ii) the estimated future selling prices of the agricultural products; (iii) growth rates of revenue and costs; (iv) discount rate; and (v) concession period of the intangible assets of the Group. The same methodology with appropriate updates of the key assumptions had been used by the said valuer to perform the assessment of the intangible assets for 2016 as compared with that for 2015. Since the valuation is highly sensitive to the selling prices of the agricultural products and there has been a decreasing trend in the selling prices of such products in 2016 as well as their estimated future selling prices since 31 December 2016, a substantial decrease in the recoverable amount of the intangible assets of the Group was recorded in 2016.

The above additional information does not affect any other information in the annual results announcement of the Company dated 31 March 2017 (the “**Announcement**”) and the Annual Report and, save as disclosed in this announcement, the contents of the Announcement and the Annual Report remain unchanged.

By Order of the Board of
IR Resources Limited
Chan Ching Hang
Chairman

Hong Kong, 18 April 2017

As at the date of this announcement, the Board 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 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>.