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IR RESOURCES LIMITED

同仁資源有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8186)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the annual report (the “Annual Report”) of IR Resources Limited (the “Company”) for the year ended 31 December 2017 and the announcement of the Company dated 19 March 2018 (the “Announcement”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Annual Report and the Announcement.

The Company wishes to provide the following additional information to the Annual Report and the Announcement:

IMPAIRMENT ON THE GROUP’S INTANGIBLE ASSETS

The key assumptions used in the computation of the valuation of the Exclusive Rights and extracted from the 2017 IA Valuation Report were disclosed in the Annual Report. As further described in the Announcement, due to the decrease in the average market prices of the agricultural produces in 2017 and hence the further decrease in the estimated future selling prices of the agricultural produces (being one of the key parameters used in the valuation of the Exclusive Rights in the 2017 IA Valuation Report), the recoverable amount of the Group’s intangible assets as at 31 December 2017 had been declined to the extent that the Exclusive Rights were determined to be of no commercial value. Accordingly, the Group made an impairment loss of HK\$41.6 million on its intangible assets for the year ended 31 December 2017. As confirmed by the Valuer, save for the change in the estimated future selling prices of the agricultural produces, there was no significant change in the value of other inputs and assumptions used in the computation of the valuation of the Exclusive Rights as at 31 December 2017 from those previously adopted.

USE OF PROCEEDS

The net proceeds from the convertible bonds issued in October 2017 amounted to HK\$17.8 million, of which (i) HK\$2.8 million, as disclosed in the Annual Report, had been used as intended for the Group's corporate expenses as at 31 December 2017; (ii) HK\$6 million and HK\$5 million had been further used as intended for the Group's development of the existing businesses and corporate expenses respectively during the first half of 2018; and (iii) the remaining balance of HK\$4 million will be used as intended for the Group's business development in 2018.

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

Hong Kong, 10 August 2018

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 "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>.