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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 CAPITAL REORGANISATION**

**THE PROPOSED CAPITAL REORGANISATION**

The Company intends to put forward to the Shareholders for their approval of the proposed Capital Reorganisation involving:

**(i) Capital Reduction**

The proposed Capital Reduction will involve (i) reducing the issued share capital of the Company by cancelling the paid-up capital of the Company to the extent of HK\$0.39 on each Existing Share such that the par value of each Existing Share will be reduced from HK\$0.40 to HK\$0.01; and (ii) reducing the authorised share capital of the Company such that the par value of all Existing Shares will be reduced from HK\$0.40 each to HK\$0.01 each which will result in the authorised share capital of the Company being reduced from HK\$200,000,000 divided into 500,000,000 Existing Shares of par value of HK\$0.40 each to HK\$5,000,000 divided into 500,000,000 New Shares of par value of HK\$0.01 each. The credit arising from such Capital Reduction will amount to HK\$48.6 million and will be transferred to the Contributed Surplus.

**(ii) Capital Increase**

Immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company will be increased from HK\$5,000,000 divided into 500,000,000 New Shares to HK\$200,000,000 divided into 20,000,000,000 New Shares.

**(iii) Reduction of Share Premium**

As at 31 December 2018, the share premium account of the Company had a credit balance of HK\$265.2 million. The entire amount standing to the credit of the share premium account of the Company will be reduced to nil and the credit arising from such Reduction of Share Premium will be transferred to the Contributed Surplus.

**(iv) Application of Contributed Surplus to set off against accumulated losses of the Company**

Following the Capital Reduction, the Capital Increase and the Reduction of Share Premium, the Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the bye-laws of the Company and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation by way of a poll. A circular containing, among other things, (i) details regarding the Capital Reorganisation; (ii) the notice convening the SGM relating to the Capital Reorganisation and the corresponding proxy form; and (iii) other disclosure requirements under the GEM Listing Rules, will be despatched to the Shareholders on or before 6 June 2019.

**THE CAPITAL REORGANISATION**

The Company intends to put forward to the Shareholders for their approval of the proposed Capital Reorganisation involving:

**(i) Capital Reduction**

The proposed Capital Reduction will involve (i) reducing the issued share capital of the Company by cancelling the paid-up capital of the Company to the extent of HK\$0.39 on each Existing Share such that the par value of each Existing Share will be reduced from HK\$0.40 to HK\$0.01; and (ii) reducing the authorised share capital of the Company such that the par value of all Existing Shares will be reduced from HK\$0.40 each to HK\$0.01 each which will result in the authorised share capital of

the Company being reduced from HK\$200,000,000 divided into 500,000,000 Existing Shares of par value of HK\$0.40 each to HK\$5,000,000 divided into 500,000,000 New Shares of par value of HK\$0.01 each. The credit arising from such Capital Reduction will be transferred to the Contributed Surplus. Based on the 124,682,651 Existing Shares in issue as at the date of this announcement, it is estimated that a credit balance of approximately HK\$48.6 million will arise from the Capital Reduction.

**(ii) Capital Increase**

Immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company will be increased from HK\$5,000,000 divided into 500,000,000 New Shares to HK\$200,000,000 divided into 20,000,000,000 New Shares.

**(iii) Reduction of Share Premium**

The entire amount standing to the credit of the share premium account of the Company will be reduced to nil and the credit arising from such Reduction of Share Premium will be transferred to the Contributed Surplus. As at 31 December 2018, the Company had a credit balance of HK\$265.2 million standing in its share premium account.

**(iv) Application of Contributed Surplus to set off against accumulated losses of the Company**

Following the Capital Reduction, the Capital Increase and the Reduction of Share Premium, the Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the bye-laws of the Company and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate.

**Conditions of the Capital Reorganisation**

The proposed Capital Reorganisation is subject to, among other things, the following conditions:

- (i) the passing of the special resolution to approve the Capital Reorganisation at the SGM;
- (ii) compliance with the relevant procedures and requirements under the Companies Act of Bermuda and the GEM Listing Rules to effect the Capital Reorganisation; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to the fulfillment of the above conditions, the Capital Reorganisation is expected to become effective on the next business day following the date of passing the relevant resolution(s) at the SGM.

### Effects of the Capital Reorganisation

Save for the relevant expenses to be incurred, the implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, business, operation, management or financial position of the Company and the Capital Reorganisation is not expected to have any material adverse effect on the financial position of the Company.

Assuming there will be no change in the number of issued Existing Shares from the date of this announcement up to the date on which the Capital Reorganisation having become effective, the share capital structures of the Company before and after the Capital Reorganisation are summarised as follows:

	<b>As at the date of this announcement</b>	<b>Immediately after the Capital Reorganisation</b>
<b>Par value</b>	HK\$0.40 per Existing Share	HK\$0.01 per New Share
<b>Authorised</b> Number of shares	500,000,000 Existing Shares of HK\$0.40 each	20,000,000,000 New Shares of HK\$0.01 each
Share capital	HK\$200,000,000	HK\$200,000,000
<b>Issue and fully paid</b> Number of issued shares	124,682,651 Existing Shares	124,682,651 New Shares
Amount of issued share capital	HK\$49,873,060.40	HK\$1,246,826.51
<b>Unissued:</b> Number of unissued shares	375,317,349 Existing Shares	19,875,317,349 New Shares
Amount of unissued share capital	HK\$150,126,939.60	HK\$198,753,173.49

## **Status of the New Shares**

The New Shares in issue upon the Capital Reorganisation becoming effective will be identical in all respects and shall rank *pari passu* in all respects with each other as to all future dividends and distribution which are declared, made or paid in accordance with the bye-laws of the Company. Save for the reduction in the par value of the Existing Shares under the Capital Reorganisation, the proposed Capital Reorganisation will not result in any change in the relative rights and interests of the Shareholders as a whole.

## **Listing Application of the New Shares**

An application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposits, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## **Free exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, Shareholders may submit share certificates of the Existing Shares to the Company's branch share registrar (the "Share Registrar") in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for exchange of the new certificates of the New Shares from Tuesday, 2 July 2019 to Tuesday, 13 August 2019 (both dates inclusive), at the expenses of the Company. In relation to the share consolidation (the "Share Consolidation") of the Company, it was stated in the circular of the Company dated 29 April 2019 that the Shareholders might during the period from Friday, 17 May 2019 to Tuesday, 25 June 2019 (both days inclusive) submit old share certificate(s) for shares of the Company of par value of HK\$0.05 each to the Share Registrar in exchange of new share certificate(s) of the Existing Shares of par value of HK\$0.40 each, at the expenses of the Company. In order to facilitate those Shareholders who have not exchanged the old share certificates for the new share ones under the Share Consolidation during the aforesaid free-exchange period (which will end on 25 June 2019 as mentioned above) and for the purpose of the Capital Reorganisation, such Shareholders may, at the expenses of the Company, submit the old certificates of the Company of par value of HK\$0.05 each (i.e. old share certificates before the Share Consolidation having become effective), in exchange for new share certificates of the Company of par value of HK\$0.01 each (i.e. new share certificates after the Capital Reorganisation having become effective) during the period

from Tuesday, 2 July 2019 to Tuesday, 13 August 2019. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new share certificate issued for the New Shares or each existing certificate for the Existing Shares cancelled, whichever the number is higher. Nevertheless, the existing certificates for the Existing Shares will continue to be good evidence of legal title but are not valid for dealings, trading and settlement purpose after the Capital Reorganisation has become effective and may be exchanged for certificates for the New Shares at any time in accordance with the foregoing.

The colour of the new share certificates for the New Shares will be announced by the Company in due course.

### **Reasons for the Capital Reorganisation**

The Company believes that the Capital Reorganisation will provide the Company with greater flexibility in future fund raising opportunities. In addition, following the Capital Reorganisation, the Company will be able to utilise and apply any credit balance in the Contributed Surplus, including the application of any credit balance to set off against accumulated losses of the Company which will in turn allow greater flexibility for the Company to pay dividends in the future so as to attract new investors. In addition, the board considers that the Capital Reorganisation will enable the par value of the Shares to be reduced from HK\$0.40 to HK0.01 each, thus giving greater flexibility to the Company to issue new Shares in the future given that the Company is not permitted to issue new Shares below their par value and the Shares has been trading below par value for a prolonged period of time. The Company has recently received a writ of summons endorsed with a statement of claim against the Company. Although the Company does not have any fund raising plan as at the date of this announcement, the Capital Reorganisation will give the Company greater flexibility to consider different options, including but not limited to raising fund by issuing new Shares, to strengthen its financial position. Based on the above, the Directors are of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

**Shareholders and potential investors of the Company should be aware of and take note that the proposed Capital Reorganisation is conditional upon satisfaction of the conditions precedent set out in the paragraphs headed “Conditions of the Capital Reorganisation” above, and therefore may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below:

Despatch of the Company's circular in  
respect of the Capital Reorganisation . . . . . on or before Thursday, 6 June 2019

Latest time for lodging the proxy form . . . . . 4:30 p.m. Wednesday, 26 June 2019

SGM . . . . . 4:30 p.m. Friday, 28 June 2019

Publication of poll results of the SGM . . . . . Friday, 28 June 2019

**The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation.**

Effective time and date of the Capital  
Reorganisation and dealing of New Shares . . . . . 9:00 a.m. Tuesday, 2 July 2019

First day of free exchange of existing  
certificates for Existing Shares into new  
certificates for New Shares . . . . . Tuesday, 2 July 2019

Last day of free exchange of existing  
certificates for Existing Shares into new  
certificates for New Shares . . . . . Tuesday, 13 August 2019

All times and dates specified in this announcement refer to Hong Kong local times and dates. Dates stated in this announcement for events mentioned in the timetable are for indicative purpose only and may be extended or varied. Any changes to the expected timetable for the Capital Reorganisation will be announced as and when appropriate in accordance with the GEM Listing Rules.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation by way of a poll. A circular containing, among other things, (i) details regarding the Capital Reorganisation; (ii) the notice convening the SGM relating to the Capital Reorganisation and the corresponding proxy form; and (iii) other disclosure requirements under the GEM Listing Rules, will be despatched to the Shareholders on or before 6 June 2019.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation and as such, no Shareholder is required to abstain from voting on the special resolution to be proposed at the SGM.

## **DEFINITIONS**

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

- “Capital Increase”            the proposed increase of the authorised share capital of the Company from HK\$5,000,000 divided into 500,000,000 New Shares to HK\$200,000,000 divided into 20,000,000,000 New Shares
- “Capital Reduction”        the proposed capital reduction of the Company involving (i) reducing the issued share capital of the Company by cancelling the paid-up capital of the Company to the extent of HK\$0.39 on each Existing Share such that the par value of each Existing Share will be reduced from HK\$0.40 to HK\$0.01; and (ii) reducing the authorised share capital of the Company such that the par value of all Existing Shares will be reduced from HK\$0.40 each to HK\$0.01 each which will result in the authorised share capital of the Company being reduced from HK\$200,000,000 divided into 500,000,000 Existing Shares of par value of HK\$0.40 each to HK\$5,000,000 divided into 500,000,000 New Shares of par value of HK\$0.01 each, and the transfer of the credit arising from such reduction to the Contributed Surplus

“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction, the Capital Increase and the Reduction of Share Premium and the authorization to the Directors to utilise and apply any credit balance in the Contributed Surplus in accordance with the bye-laws of the Company and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	IR Resources Limited, a company incorporated in Bermuda with limited liability with its issued shares listed on GEM of the Stock Exchange
“Contributed Surplus”	the contributed surplus account of the Company
“Directors”	the directors of the Company
“Existing Share(s)”	the share(s) of par value HK\$0.40 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	The Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“New Share(s)”	the share(s) of par value HK\$0.01 each in the share capital of the Company upon the Capital Reduction becoming effective
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Reduction of Share Premium”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company

“SGM”	the special general meeting of the Company to be convened and held for its shareholders to consider, and if thought fit, approve the Capital Reorganisation
“Share(s)”	the Existing Shares or the New Shares (as the context may be)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong

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

Hong Kong, 28 May 2019

*As at the date of this announcement, the board of Directors of the Company comprises two executive Directors, namely, Mr. Chan Ching Hang and Mr. Zeng Lingchen; and three independent non-executive Directors, namely Mr. Cheung Yin Keung, Mr. Hong Bingxian 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 after the date of the publication and will be published on the website of the Company at <http://www.irresources.com.hk>.*