
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**



云 锋 金 融

**REORIENT Financial Markets Limited
(A member of Yunfeng Financial Group)**

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 Wednesday, 30 November 2016 at 1:15 p.m., is set out on pages 28 to 30 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.

15 November 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:

“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
“Director(s)”	the director(s) of the Company from time to time
“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 proposed grant of the New General Mandate
“Independent Financial Adviser” or “Reorient”	REORIENT Financial Markets Limited (a wholly owned subsidiary of Yunfeng Financial Group 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

DEFINITIONS

“Latest Practicable Date”	9 November 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
“Placing”	the placing of 577,260,000 Shares completed on 29 July 2016
“Previous General Mandate”	the general mandate granted at the Previous SGM to the Directors to allot, issue and deal with Shares up to 20% of the issued Shares as at the date of the Previous SGM (i.e. up to a maximum of 577,269,212 new Shares)
“Previous SGM”	the special general meeting of the Company held on 10 July 2016
“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 Wednesday, 30 November 2016 at 1:15 p.m. to consider and, if thought fit, approve, the grant of the New General Mandate
“Shares”	ordinary share(s) of HK\$0.01 each of the Company holder(s) of the Share(s) from time to time
“Shareholder(s)”	holder(s) of the Shares
“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

15 November 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 PREVIOUS GENERAL MANDATE

Previous General Mandate

At the Previous SGM (held on 10 July 2016), the Shareholders approved the ordinary resolution for granting to the Directors the Previous General Mandate to allot and issue not more than 577,269,212 new Shares, being 20% of the number of Shares in issue as at the date of the Previous SGM. On 11 July 2016, the Company entered into a placing agreement for the Placing of 577,260,000 new Shares at the placing price of HK\$0.038 per Share. As a result of the completion of the Placing on 29 July 2016, the Previous General Mandate has almost been fully utilized with only 9,212 new Shares which maybe allotted and issued under the Previous General Mandate (please refer to the announcements of the Company dated 11 and 29 July 2016 for further details). There had not been any refreshment of the general mandate of the Company to issue new Shares since the Previous SGM up to the Latest Practicable Date.

Proposed refreshment of the Previous 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 of the relevant resolution at the SGM. As at the Latest Practicable Date, the Company had 3,463,606,061 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New General Mandate and assuming that no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of passing of the relevant resolution at the SGM, the New General Mandate will allow the Company to allot and issue up to 692,721,212 new Shares, being 20% of the total number of Shares in issue as of the Latest Practicable Date.

The New General Mandate shall continue to be in force from the date of passing of the ordinary resolution for the approval of the New General Mandate at the SGM up to (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required to be held in accordance to the Bye-laws or any applicable laws of Bermuda; or (iii) the revocation or variation of the New General Mandate by an ordinary resolution of the Shareholders in a 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 and (ii) resources and logistics business.

As described in the announcement of the Company dated 19 September 2016, the Group has entered into agreements with a group of investors for development of its forestry and agricultural business. The existing cash resources of the Group and the loans to be provided by the relevant investors are sufficient to cover the working capital requirement under the current business plan for its forestry and agricultural business. However, as described in the Company's annual report for the year ended 31 December 2015 and interim report for the six months ended 30 June 2016, it has been the intention of the Group to enhance the operating efficiency of its forestry and agricultural business by accelerating its development pace. In addition, given the risk (including but not limited to weather, industry, industry cycle, Cambodian government policies and currency exchange) inherent to the operating environment of the Group's forestry and agricultural business in Cambodia, it has also been the Group's intention to identify investment/business opportunities for purpose of diversifying business portfolio and broadening income resources for business risk management and enhancement of return to the Shareholders. In this connection, on 13 October 2016, the Group entered into agreements to acquire a minority interest of a group engaged in solar power generation business (the "Solar Power Business") in the PRC (completed on 18 October 2016) for the development of green resources business favoured by the PRC government and the controlling stake of a securities brokerage and fund management corporation (licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO) (the "Securities and Fund Management Business") to capitalise on opportunities brought by the favourable policies on the Hong Kong stock market. The Group has also been in discussion on potential investment in a number of plantation farms and agricultural products processing plants in Australia and North America each with an expected investment amount between HK\$15 million to HK\$50 million.

As at the Latest Practicable Date, the Group had cash and bank balance of HK\$82 million. After taking into account (i) the consideration of HK\$33.2 million payable for the acquisition of the Securities and Fund Management Business in the first quarter of 2017; (ii) approximately HK\$16 million reserved for the development of the forestry and agricultural business under the current business plan; and (iii) approximately HK\$16 million reserved for general corporate and administrative expenses of the Group before the next annual general meeting, the Group will have unutilised proceeds of only approximately HK\$17 million allocated for purposes of general working capital and business development, potential investment opportunities and repayment of liabilities from the Rights Issue and the Placing. The Company is uncertain as to whether such level of working capital will be sufficient particularly given that (i) the minimum additional

LETTER FROM THE BOARD

working capital required for speeding up the development of its forestry and agricultural business would amount to HK\$10 million and (ii) the amount of the Group's potential investment in the plantation farms and agricultural products processing plants would range between HK\$15 million to HK\$50 million depending on the outcome of the respective commercial negotiations.

There are signs that the Hong Kong stock market has been gradually recovering from the uncertainty resulting from, among others, the exit of the United Kingdom from the European Union as evidenced by the average closing of the Hang Seng Index of 23,373 during the period from 1 September 2016 to the Latest Practicable Date (an increase of 15% when compared with the closing of the index of 20,259 on 24 June 2016, the date on which the referendum in the United Kingdom voted in favour of its withdrawal from the European Union); however, it is uncertain as to how long such favourable market sentiment will last, particularly given the dynamic global market sentiment and the economic slowdown in both Hong Kong and the PRC (the amount of fund raised by placing for companies listed on the GEM declined from HK\$3.26 billion in the fourth quarter of 2015 to HK\$1.91 billion in the first quarter of 2016 and further declined to HK\$1.58 billion in the second quarter of 2016, representing a significant drop of 51.5%) and the uncertainty casted by the result of the presidential election in the United States of America held on 8 November 2016 on the global political, economic and financial landscape.

The Previous General Mandate has almost been fully utilised and the next annual general meeting of the Company is expected to be held in or about May 2017 (which is approximately seven months from the date of this circular). In the absence of the New General Mandate, the Company will have to wait until the next annual general meeting for the grant of a new general mandate or go through lengthy approval procedures for obtaining specific mandates for the issue of new Shares (either for purposes of fund raising or issue of consideration shares). Given the volatility of the capital market as mentioned above, the absence of the New General Mandate will render the Company not being able to seize the window opportunities (when available) to optimize the fund raising amount or to make the investments if any of the above-mentioned potential investments is crystalized before the next annual general meeting or a specific mandate is obtained in a special general meeting.

Given the above, the Directors are of the view that it is in the interest of the Company and the Shareholders as a whole to obtain the New General Mandate in the soonest possible time. Nevertheless, as at the Latest Practicable Date, the Company did not contemplate nor it had any arrangements, undertakings or negotiations relating to any equity fund raising activities (including utilization of the New General Mandate). The Company expects that the proceeds from the equity fund raising activities under the New General Mandate, if utilised before the next annual general meeting of the Company, will be used for accelerating its business development, seizing the available investment opportunities and general working capital purposes.

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/ announcement	Event	Net proceeds raised (approximately)	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\$160 million used for settlement of liabilities and the remaining balance to be used as intended
			(ii) HK\$50 million as general working capital and business development	Approximately HK\$14 million used as general working capital and the remaining balance of approximately HK\$36 million to be used as intended (including approximately HK\$16 million designated for the forestry and agricultural business under the current business plan and approximately HK\$16 million designated for general corporate and administrative expenses of the Group prior to the next annual general meeting)

LETTER FROM THE BOARD

Date of prospectus/ announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
			(iii) HK\$36 million for potential investment opportunities	Approximately HK\$33.2 million reserved for settlement of the consideration for the acquisition of the Securities and Fund Management Business and the remaining balance of approximately HK\$2.8 million to be used as intended
11 July 2016	Placing of new Shares	HK\$21 million	General working capital	Used as settlement for the consideration and the related expenses in respect of the acquisition of the Solar Power Business

On 8 July 2016, the Company entered into an agreement for the placing of unsecured bonds in the principal amount of up to HK\$100 million. However, the placing of the unsecured bonds had been terminated due to unsatisfactory market reaction.

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 and the unutilized proceeds from the above equity fund raising transactions have been deposited into a licensed bank in Hong Kong.

OTHER FINANCING ALTERNATIVES

Apart from equity financing, the Directors, depending on the Group's then financial position and cost of funding as well as the prevailing market condition, will also consider other financing alternatives (such as debt financing) to fund its business development,

LETTER FROM THE BOARD

expansion plan and/or investment opportunities. However, given the continuous loss incurred by the Group during the past years, the chance of obtaining external borrowings by the Group would be subject to high uncertainty (and not to mention about the significant interest costs to be borne by the Group, the lengthy process of the debt financing application(s) (which may take three to four months before the Group can be certain whether the loans will be granted) including due diligence, internal credit evaluation and approval procedures of the financiers and the conditions for drawdown set by the financiers). Most importantly, the proposed grant of the New General Mandate does not preclude the Company from using other financing alternatives. Indeed, it serves as an additional funding option to the Company. The Directors believe that the grant of the New General Mandate is a cost-effective and less time consuming solution and will enhance the Company's financial flexibility in business development.

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.

SGM

The SGM will be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, on Wednesday, 30 November 2016 at 1:15 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 28 to 30 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 at the SGM.

As at the Latest Practicable Date, the Company has no controlling Shareholder and Ms. Yu Xiao Min ("Ms. Yu"), an executive Director, beneficially owns 12,000,000 Shares (representing approximately 0.35% of the number of issued Shares as at the Latest Practicable Date). Accordingly, Ms. Yu and her associates will abstain from voting in

LETTER FROM THE BOARD

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 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.

POTENTIAL SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01, the issuer is required either to change the trading method or to proceed with a consolidation of its securities. If the New General Mandate is approved by the Independent Shareholders and that the Company conducts an equity fund raising thereafter (by utilising the New General Mandate or otherwise), the Company will implement a share consolidation or change the trading method in compliance with the GEM Listing Rules. The Company will keep the Shareholders posted as and when appropriate in compliance with the GEM Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 12 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 13 to 27 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.

LETTER FROM THE BOARD

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)

15 November 2016

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 15 November 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 13 to 27 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
Hong Kong

15 November 2016

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

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

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 15 November 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 Previous 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 date of the SGM. 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Company had no controlling Shareholder and Ms. Yu Xiao Min, an executive Director, held 12,000,000 Shares (representing approximately 0.35% 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.

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 and whether the proposed grant of the New General Mandate is 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.

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 (a) the independent financial adviser of the Company in respect of (i) a rights issue; and (ii) a refreshment of general mandate providing our independent view to the Company’s independent board committee and the independent shareholders; and (b) the independent financial adviser of a substantial shareholder of the Company in respect of certain transactions providing our independent view to the independent board committee and the independent shareholders of that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

substantial shareholder. Apart from normal professional fees for our services to the Company in connection with the engagements 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.

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 has not been able to meet the plantation requirements. We understand from the Company that the Cambodian government will only withdraw or confiscate those economic land concessions under the conditions that the holder of which (i) does not take any logging and plantation actions for a prolonged period of time; or (ii) logs the timber without taking any plantation activity. As long as the holders of the economic land concessions have made efforts to log the timber and conduct plantation activities (even if the required plantation volume is not met for reasons acceptable to the Cambodian government), it is unlikely that the Cambodian government will withdraw or confiscate the economic land concessions. The Company has confirmed that the Group had not received any notification and/or indication from the Cambodian government that it would withdraw or confiscate the Economic Land Concessions as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 (the "Subscribers") and a plantation partner (the "Plantation Partner"), respectively. The terms of the Restructuring have been finalised and, on 19 September 2016, the Group entered into a subscription agreement (the "Subscription Agreement") and a supplemental agreement to the plantation agreement dated 27 November 2015 (the "Plantation Agreement") with the Subscribers and the Plantation Partner, respectively. Completion of the Subscription Agreement and the Plantation Agreement took place on 14 October 2016. The Shareholders shall refer to the announcements of the Company dated 17 July 2015, 30 September 2015, 24 February 2016, 20 May 2016, 19 September 2016 and 14 October 2016 (the "Company's Publications") for details.

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 prior to completion of the Subscription Agreement and the Plantation Agreement. In this connection, the Group entered into two separate cooperation agreements with one of the Subscribers (as an operator) (the "Operator") and the Plantation Partner in May 2016. Pursuant to the timber logging and processing cooperation agreement (the "Timber Cooperation Agreement") between the Group and the Operator, the Operator will, together with the management team of the Group, be responsible for the timber logging and operation of the Group's timber processing factory (the "Timber Business") and provide funding to the Timber Business for a period of one year or till completion of the Subscription Agreement, whichever is earlier. The Operator will be entitled to 20% of the net profit of the Timber Business after deduction of capital contributed by the Operator. Pursuant to the plantation cooperation agreement (the "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 a plantation plan in respect of the Three Forests for a period of one year or till completion of the Plantation Agreement (the "Plantation Cooperation Period"), 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 agricultural produce from the plants seeded/planted during the Plantation Cooperation Period.

As at the Latest Practicable Date, the Timber Cooperation Agreement and the Plantation Cooperation Agreement had been effective. The Operator had lent approximately HK\$16 million to the Group to upgrade and streamline the production lines of the Group's timber processing factory and settle certain liabilities of the Group due to Cambodian government, sub-contractors and former employees. In respect of the plantation business, we understand

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from the Company that it intends to designate at least HK\$16 million from the net proceeds of the Rights Issue (as defined below) as working capital till the end of 2017 assuming completion of the Subscription Agreement and the Plantation Agreement takes place on or before 31 October 2016. The Plantation Partner has been engaging in the nursery of young shoots, making arrangement for plantation activities and collaborating workforce at its own funding which will be set-off against its subsequent funding contribution, if any, to be made to the plantation business.

Upon completion of the Subscription Agreement, the related Subscribers shall establish a management team for carrying out the Group's timber business. The related Subscribers in respect of the Group's timber business have guaranteed and undertaken that for the six-month period after completion of the Subscription Agreement, the six-month period commencing on the seventh month after completion of the Subscription Agreement and the twelve-month period commencing on the thirteen month after completion of the Subscription Agreement, the audited net profit after tax derived from the Group's timber business will not be less than HK\$5 million, HK\$5 million and HK\$10 million, respectively.

Upon completion of the Plantation Agreement, the Plantation Partner shall establish a management team and an advisory team 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 2016/2017; (b) 1,800 hectares for 2017/2018; (c) 2,500 hectares for 2018/2019; and (d) 3,000 hectares for 2019/2020 and each 12-month period during 2021 to 2024. 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 the Group for such loss.

The Subscribers and the Plantation Partner will also provide additional funding by way of loans to the Group under the Subscription Agreement or the Plantation Agreement as further described below in the section headed "Funding arrangements".

The transactions under the Subscription Agreement and the Plantation Agreement are subject to satisfaction of various pre-conditions which may or may not be completed.

Financial information of the Group

The Group recorded no revenue for the year ended 31 December 2014. The Group resumed its timber business in the second half of 2015. As set out in the annual report for the year ended 31 December 2015 (the "2015 Annual Report") and the interim report for the six

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months ended 30 June 2016 (the “2016 Interim Report”) of the Company, over 90% of the Group’s revenue and assets were related to the timber business. We understand from the Company that, as at the Latest Practicable Date, the Company has 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 discussing and finalising the plantation plan and will implement plantation as scheduled in the second half of 2016.

As at 30 June 2016, the liabilities and indebtedness of the Group amounted to approximately HK\$49.6 million. As at 31 July 2016, the liabilities and indebtedness of the Group amounted to approximately HK\$49.3 million.

The Shareholders should read the 2015 Annual Report and the 2016 Interim Report for details of the financial performance and position of the Group.

Funding arrangements

In order to meet the working capital requirement of the timber business of the Group, certain Subscribers have undertaken to provide a working capital loan of up to HK\$51.75 million (the “Timber Business Loan”). One of the Subscribers will contribute (i) HK\$15 million upon completion of the Subscription Agreement; and (ii) the remaining HK\$15 million within three months from completion of the Subscription Agreement. The other Subscribers will, following completion of the Subscription Agreement, depending on the then financial need of the timber business of the Group, provide their portions of the remaining Timber Business Loan of HK\$21.75 million by stages. The Timber Business Loan will be unsecured, interest free and have a term of ten years (instead of two years as previously announced), and will only be repaid under the conditions that profit has been generated from the timber business of the Group and there is sufficient working capital for the timber business of the Group. In the event that there remains any outstanding Timber Business Loan payable to the relevant Subscribers upon its expiry, the term of the Timber Business Loan will be extended for another 10 years and the terms will remain unchanged, and if there still remains any outstanding amount, it will become due and payable upon expiry of the second 10-year period. The Company does not expect any funding contribution by the Group unless the planned logging activities are accelerated.

Certain other Subscribers relating to the plantation business have undertaken to provide necessary funds of up to HK\$19 million proportional to their effective shareholding in the Group’s plantation business for the development of the Group’s plantation business following completion of the Subscription Agreement. Under the Plantation Agreement, the Plantation Partner shall also provide funding to the Group’s plantation business depending

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on its needs from time to time. No specific funding contribution has been agreed in the Plantation Agreement. As set out in the section headed “Business of the Group” above, the Company intends to designate at least HK\$16 million from the net proceeds of the Rights Issue (as defined below) as working capital for the Group’s plantation business.

On 30 May 2016, the Company completed the Rights Issue of 26,239,509,650 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. Please refer to the section headed “Equity fund raising activities in the past twelve months” below for the actual use of the proceeds up to the Latest Practicable Date.

On 8 July 2016, the Company announced a proposed placing of bonds (the “Bonds”) for an aggregate principal amount of HK\$100 million maturing on the second anniversary of the date of issue (the “Bond Placing”). However, the Company has confirmed to us that the Bond Placing did not proceed due to unsatisfactory market reaction.

On 29 July 2016, the Company completed the Placing and had almost fully utilised the Previous General Mandate. The Company intends to apply the net proceeds from the Placing of approximately HK\$21 million for general working capital.

We have reviewed the Company’s cash flow projection up to 30 June 2018 in respect of its timber business and plantation business based on its current business proposal. We have also discussed with the management of the Company about the Group’s estimated capital requirement for its timber business and plantation business. We understand from the management of the Company that based on the Group’s estimation, the working capital requirement in respect of its forestry and agricultural business for the period up to October 2017 will amount to HK\$138 million. Although the existing cash resource of the Group and the loans to be provided by the relevant investors are sufficient to cover the working capital requirement under the current business plan before the next annual general meeting, the Company has informed us that if circumstance permits (subject to regular review after implementation of the business plan), it has been its intention to speed up the development of the forestry and agricultural business and enhance the operating efficiency and investment return of the business (including scaling up the logging activities, installing and upgrading production facilities, constructing and expanding transportation infrastructure, expanding the production team, improving the cultivation and nursery facilities and/or purchasing seedlings of agricultural produce with higher economic value, etc.) which will require additional cash and capital.

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As at the Latest Practicable Date, the Group had unutilized proceeds of approximately HK\$17 million (after reserving approximately HK\$33.2 million for settlement of the consideration for the Securities and Fund Management Business Acquisition (as defined below), approximately HK\$16 million for development of the forestry and agricultural business under the current business plan and approximately HK\$16 million for general corporate and administrative expenses of the Group before the next annual general meeting) from the Rights Issue and the Placing. Such HK\$17 million from the proceeds has been allocated for purposes of general working capital, business development and repayment of liabilities. If the Group decides to speed up the business plan of its forestry and agricultural business, the Group will need to invest additional capital expenditure and working capital and the Company will need to make further capital contributions. Depending on the scale of such business expansion, the above cash resources may not be sufficient and the Group's ability to expedite its forestry business developed will be constrained unless it can conduct fund raising activities to meet the additional funding requirement.

Other potential business development

We have discussed with the Company about the Group's future potential business development and the reasons of the Company for the New General Mandate are 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 seek appropriate business opportunities with a view to diversifying its business portfolio for business risk management and enhancing return to the Shareholders.

In this connection, as disclosed in the announcements of the Company dated 13 October 2016, the Group entered into agreements to acquire (i) a 17.5% equity interest of a group principally engaged in the operation of solar power generation business and the provision of renewable energy consultancy services in the PRC at a consideration of HK\$20.5 million (the "Solar Power Business Acquisition"); and (ii) the controlling stake of a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO at a maximum consideration of up to HK\$33.2 million (the "Securities and Fund Management Business Acquisition"). The Solar Power Business Acquisition was completed on 18 October 2016 and the Group has fully utilised the proceeds of HK\$21 million from the Placing for the settlement of the consideration of HK\$20.5 million and the related expenses.

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In addition, given the risks (including but not limited to weather, industry cycle, Cambodian government policies and currency exchange) inherent to the operating environment of its forestry and agricultural business in Cambodia, the Group is also in preliminary discussion on potential investment in a number of plantation farms and agricultural products processing plants in Australia and North America with a view to mitigating such risk through geographical and climate diversification.

Reasons for the proposed grant of the New General Mandate

As set out in the announcement of the Company dated 19 September 2016, (and as described above) the Company is collaborating investor/business partners for development of its forestry and agricultural business in Cambodia. In addition, the Company completed the Solar Power Business Acquisition on 18 October 2016 with a view to developing the Group's green resources business. It is the development strategy of the Group to (i) continue to implement plans to strengthen its forestry and agricultural business; (ii) expand its resources and logistics business; (iii) keep abreast appropriate investment/business opportunities to broaden income sources and diversify risks. The Group will also continue to seize debt/equity fund raising opportunities to enhance its financial capacity.

The Placing has almost fully utilised the Previous General Mandate obtained in the Previous SGM held on 10 July 2016. The next annual general meeting of the Company will only be held in or about May 2017, which is approximately seven months away from the Latest Practicable Date. The Board considers that the New General Mandate would provide additional financial flexibility to the Group for fund raising for future investments and business development if and when necessary. We have discussed with the management of the Company that, before using the New General Mandate, the Directors will consider various financing alternatives such as debt financing and internal cash resources to fund business operation and expansion and/or investment opportunities, depending on the Company's financial position and cost of funding as well as the prevailing market condition. We consider that having further flexibility for the Group to explore more financing options is in the interests of the Group given the need of the Group to implement its expansion plan.

We understand from the management of the Company that the Group's forestry and agricultural business is capital intensive (including processing, logistics, resources tax, infrastructure, plantation materials and work, maintenance, etc.), it is beneficial for the Group to have the further flexibility in having immediate access to cash resources.

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We have also been advised by the management of the Company that the Group has been actively implementing its expansion plan (including but not limited to expansion of the Group's resources and logistics segment) to broaden its income sources. The forestry and agricultural segment is the Group's existing principal business segment. We understand from the management of the Company that the operating environment of the forestry and agricultural business segment is subject to inherent risks including but not limited to weather, industry cycle, Cambodian government policies and currency exchange. The Company considers that such inherent risks are out of its control and might potentially jeopardise the Group's business operation and future development. As such, whilst the Company is committed to and confident in the development of its existing forestry and agricultural business, it intends to implement its business expansion plan which may help to reduce its reliance on this business segment for risk management purpose. We understand from the Company that subject to actual implementation of its business plan and agreement with the business partners, it intends to allocate up to HK\$16 million from the Rights Issue as general working capital to finance the development of its principal businesses. As mentioned above, given that only approximately HK\$17 million from the Rights Issue and the Placing has remained unutilized, the Directors consider there is no certainty that the existing working capital resources will be sufficient for the funding needs of any new business development and/or other potential investment opportunities that may be identified by the Company in the future.

Potential investment opportunities may arise at any time and it is beneficial to provide the Group with the flexibility to have timely access to cash resources and/or payment means for appropriate investment opportunities. In the event that the Group identifies suitable business development and/ or investment opportunities when it does not have sufficient working capital resources on hand and/ or fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the business development or acquisition of such investment opportunities in a timely manner and at reasonable terms, the Group may lose its opportunity in an otherwise favourable development/ investment if it has to go through a lengthy process to obtain Shareholders' approval for every single equity financing and/ or to wait until the next annual general meeting for renewal of the general mandate given that in most cases vendors to transactions would prefer purchasers/investors who are able to promptly complete the transactions with less uncertainty. The Board believes that equity financing (i) will be an important avenue of financial resources to the Group since it does not create any interest paying obligations on the Group; and (ii) it will enable the

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Company to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a simpler and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

Further, as set out in the preceding paragraph, the Group's existing principal business in forestry and agricultural segment is subject to various inherent risks which are out of control of the Company and might potentially jeopardise the Group's business operation and future development. The Subscription Agreement and the Plantation Agreement were completed on 14 October 2016. Whilst the Company considers that, barring any unforeseen circumstances, the Group has sufficient working capital for its timber business and plantation business up to 30 June 2018, given the nature and risk of the forestry and agricultural segment including but not limited to the prolonged and abnormally high level of rain at the location of the Three Forests that may have an adverse impact on the Group's ability to extract timber, the industry cycle, changes in Cambodian government policies which may potentially relate to the operation and hence the profitability of the Group, and currency exchange, the Directors consider it prudent and appropriate to have further financial flexibility immediately following completion of the Subscription Agreement and the Plantation Agreement to cope with any funding needs which might arise as a result of any unforeseen circumstances.

We understand from the management of the Company that the Company does not have a concluded and concrete schedule on when the New General Mandate will be utilised and presently has no concluded and concrete intention or need on fund raising for specific purposes as at the Latest Practicable Date.

Having considered the matters as discussed in the preceding paragraphs and the Group being at the stage of development to revitalize its existing forestry and agricultural business in Cambodia and its strategy to quickly expand and diversify its business, we concur with the Directors' view that it is appropriate to refresh the general mandate now rather than seeking specific approval from Shareholders specific needs/opportunities arise and the proposed grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Other financing alternatives

We have discussed with the management of the Company and understand that apart from equity financing, the Directors may also consider other financing alternatives such as debt financing and internal cash resources to fund future business development and expansion and/or investment opportunities, depending on the Company's financial position and cost

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of funding as well as the prevailing market condition. The proposed grant of the New General Mandate does not preclude the Company from using other financing alternatives. It merely provides the Board with an additional option.

In view of the above, we consider that the proposed grant of the New General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to maintain its flexibility in the selection of the best possible financing method for its future business development. 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>%</i>	<i>No. of Shares</i>	<i>%</i>
China Wah Yan Healthcare Limited	845,568,863	24.41%	845,568,863	20.34%
Ritz Management	12,000,000	0.35%	12,000,000	0.29%
	857,568,863	24.76%	857,568,863	20.63%
Public Shareholders	2,606,037,198	75.24%	2,606,037,198	62.70%
New General Mandate	—	0.00%	692,721,212	16.67%
Total	<u>3,463,606,061</u>	<u>100.00%</u>	<u>4,156,327,273</u>	<u>100.00%</u>

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 and the date of the SGM, the Directors will be allowed to allot and issue up to a maximum 692,721,212 new Shares under the New General Mandate and the aggregate shareholding of the existing public Shareholders in the Company will decrease from approximately 75.24% as at the Latest Practicable Date to approximately 62.70% upon full utilization of the New General Mandate. The Group recorded loss since the financial year ended 31 December 2009.

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Based on the net assets of the Group as at 30 June 2016, net asset per Share amounted to approximately HK\$0.14. The average closing price per Share for the five trading days ending on the Latest Practicable Date was approximately HK\$0.0826 and is substantially lower than the net asset per Share. Any issue of new Shares in cash with reference to market price may likely cause a dilution to the shareholding of an existing Shareholder in terms of net assets if the Share price remains below the net asset per Share.

However, taken into account that the general benefits of the proposed grant of the New General Mandate as discussed above including in particular that the New General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its future business development and expansion and/ or pursuing investment opportunities and the representation of the Company that it will evaluate the cost of different fund raising options before utilising the New General Mandate with a view to improving the Group's future earning prospect, 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

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
24 February 2016	Rights Issue	HK\$256 million	(i) HK\$170 million for repayment of liabilities	Approximately HK\$160 million used for settlement of liabilities and the remaining balance to be used as intended

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Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
			(ii) HK\$50 million as general working capital and business development	Approximately HK\$14 million used as general working capital and the remaining balance of approximately HK\$36 million to be used as intended (including approximately HK\$16 million designated for the forestry and agricultural business under the current business plan and approximately HK\$16 million designated for general corporate and administrative expenses of the Group prior to the next annual general meeting)
			(iii) HK\$36 million for potential investment opportunities	Approximately HK\$33.2 million reserved for the settlement of the consideration for the Securities and Fund Management Business Acquisition and the remaining balance of approximately HK\$2.8 million to be utilised as intended

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Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
11 July 2016	Placing of new Shares	HK\$21 million	General working capital	Used for settlement of the consideration of the Solar Power Business Acquisition and the related expenses

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 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 Wednesday, 15 November 2016 at 1:15 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 special general meeting of the Company held on 10 July 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, 15 November 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 15 November 2016.