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**IRC Limited 鐵江現貨有限公司**

*(Incorporated in the Hong Kong with limited liability)*

**(Stock code: 1029)**

## **POSITIVE PROFIT ALERT**

**Tuesday, 20 March 2018:** This announcement is made by IRC Limited (“**IRC**” or the “**Company**”, together with its subsidiaries, the “**Group**”; Stock Code 1029) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a substantial profit for the year ended 31 December 2017 as compared to a loss for the year ended 31 December 2016. Such estimated turnaround from loss to profit is attributable to:

- (1) with the successful ramping up and operation of the K&S mine, the Group’s revenue increased to approximately US\$110 million in 2017, representing more than fivefolds increase of revenue over 2016;
- (2) K&S became a profitable mine in production and generated an EBITDA of approximately US\$30 million in 2017; and
- (3) an estimated partial reversal of previous impairment losses on property, plant and equipment in relation to the K&S mine amounting to approximately US\$130 million. The partial reversal of impairment loss is mainly due to the successful operation of the mine and the increase of market iron ore price which leads to the recoverable amount of the asset value of the K&S mine exceeding its carrying amount as at 31 December 2017.

The financial information contained in this announcement is based only on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available to the Company and may be subject to adjustments. It should be noted that the Company is in the process of finalising its results for the year ended 31 December 2017 and such results may be subject to further amendments as appropriate. Shareholders and potential investors are advised to read the Company's results announcement for the year ended 31 December 2017 for further details, which is expected to be published on 27 March 2018.

**Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.**

By Order of the Board  
**IRC Limited**  
**Yury Makarov**  
*Chief Executive Officer*

Hong Kong, People's Republic of China  
Tuesday, 20 March 2018

*As at the date of this announcement, the Executive Directors of the Company are Mr Yury Makarov and Mr Danila Kotlyarov. The Non-Executive Directors are Mr George Jay Hambro, Mr Benjamin Tze For Ng, and Mr Chi Kin Cheng. The Independent Non-Executive Directors are Mr Daniel Bradshaw, Mr Chuang-Fei Li, Mr Simon Murray, CBE, Chevalier de la Legion d' Honneur, Mr Jonathan Martin Smith and Mr Raymond Kar Tung Woo.*

**IRC Limited**

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