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IRC Limited 鐵江現貨有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 1029)

INSIDE INFORMATION POSSIBLE DISPOSAL OF SHARES BY A SUBSTANTIAL SHAREHOLDER

Thursday, 19 March 2020: 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 Main Board of 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 (Cap. 571 of the Laws of Hong Kong).

The board of directors of IRC has been informed by Petropavlovsk PLC (“**Petropavlovsk**”), a substantial shareholder (as defined in the Listing Rules) of the Company, that on 18 March 2020, it had entered into a preliminary agreement (the “**Preliminary Agreement**”) with Stocken Board AG (“**Stocken**”), a Liechtenstein-incorporated investment company. The Preliminary Agreement sets out the non-binding terms on which Petropavlovsk would sell and Stocken would purchase 2,120,922,527 ordinary shares of the Company (“**Sale Shares**”) (representing approximately 29.90% of the total issued share capital of the Company as at the date of this announcement) for a consideration of US\$10 million (“**Consideration**”), payable up to 31 December 2021.

Under the terms of the guarantees (“**Guarantees**”) entered into by Petropavlovsk in favour of Gazprombank (“**GPB**”) in connection with the Group’s GPB Facilities and certain related documents, Petropavlovsk requires the consent of GPB to enter into a binding share sale and purchase agreement in relation to the Sale Shares (“**SPA**”).

If the consent of GPB is received and Petropavlovsk and Stocken enter into the SPA, completion of the SPA will be conditional upon certain conditions precedent, including the termination and irrevocable release of the Petropavlovsk Group from the Guarantees (the “**Release**”) and the receipt of any consents that may be required under Petropavlovsk’s US\$500 million 8.125% notes maturing November 2022 (“**Notes**”) or confirmation by the Petropavlovsk board of directors that no consents are required. If Stocken is unable to demonstrate satisfactory progress in obtaining the Release by a certain date, the SPA, if entered into, may be terminated by Petropavlovsk, provided that GPB has not released or agreed to release Petropavlovsk from the Guarantees.

Under the Preliminary Agreement, it is proposed that, to provide Stocken with additional time to complete further due diligence, the SPA will include a put option (the “**Option**”) which may be exercised by Stocken between the date of completion of the sale and purchase of the Sale Shares and full payment of the Consideration or 31 December 2021 (whichever is earlier), provided that certain thresholds are met. Should the Option be exercised by Stocken, the Sale Shares will be returned to Petropavlovsk and any Consideration paid up to that date will be returned to Stocken. The exercise of the Option shall have no effect on the Release and Petropavlovsk will become the holder of the Sale Shares again without the Guarantees.

Whilst Stocken and Petropavlovsk have entered into the Preliminary Agreement, there can be no certainty that GPB will consent to Petropavlovsk entering into the SPA, the terms of the SPA and whether GPB will agree to release the Guarantees or the terms on which it will agree to do so.

To the best of the Company’s knowledge, Stocken is a third party independent of and not connected with the Company and its connected persons.

As at the date of this announcement, Petropavlovsk holds 2,205,900,000 ordinary shares in the Company, representing approximately 31.10% of the total issued share capital of the Company. If the SPA is entered into and completes, then upon completion, Petropavlovsk would hold 84,977,473 ordinary shares in the Company (representing approximately 1.20% of the total issued share capital of the Company) and would cease to be a substantial shareholder of the Company and Stocken would hold 2,120,922,527 ordinary shares in the Company, representing approximately 29.90% of the total issued share capital of the Company.

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

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

Hong Kong, People's Republic of China
Thursday, 19 March 2020

As at the date of this announcement, the Executive Director of the Company is Mr Yury Makarov. The Non-Executive Directors are Mr Peter Hambro, Mr Danila Kotlyarov 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 Légion d'Honneur, Mr Jonathan Martin Smith and Mr Raymond Kar Tung Woo.

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