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

CHANGES TO THE BOARD OF DIRECTORS OF PETROPAVLOVSK PLC AND RE-DESIGNATION OF DIRECTORS OF IRC

Thursday, 2 July 2020: The Board of Directors (the “**Board**”) of IRC Limited (“**IRC**” or the “**Company**”, together with its subsidiaries, the “**Group**”; Stock Code 1029) announces that:

- pursuant to a press release dated 30 June 2020 (“**Petropavlovsk Announcement**”), Petropavlovsk PLC (“**Petropavlovsk**”), a substantial shareholder of the Company, has announced that seven directors standing for election or re-election at Petropavlovsk’s annual general meeting held on 30 June 2020 (“**Petropavlovsk 2020 AGM**”) were not elected or re-elected and that the board of Petropavlovsk has appointed four new directors to temporarily hold office until a general meeting of Petropavlovsk can be convened and a new board can be reconstituted that matches the listing requirements of a Premium Listed company on the Main Board of the London Stock Exchange;
- the new directors who were appointed to the board of Petropavlovsk on a temporary basis include Mr Peter Hambro and Mr Jonathan Martin Smith, both of whom are directors of IRC. Mr Hambro has been appointed non-executive chairman of Petropavlovsk and Mr Martin Smith has been appointed independent non-executive director of Petropavlovsk; and
- for the duration of Mr Hambro’s appointment as a director of Petropavlovsk, he will relinquish his chairmanship in IRC and be re-designated from “Chairman and Non-Executive Director” to “Non-Executive Director” of the Company. Mr Daniel Bradshaw will become the chairman of the Company and be re-designated from “Deputy Chairman and Senior Independent Non-Executive Director” to “Chairman and Senior Independent Non-Executive Director” of the Company. Mr Hambro is also the Chairman of the Nomination Committee of IRC and he will relinquish his chairman position of the Nomination Committee but will remain as a member of the Committee. Mr Bradshaw will become the chairman of the Nomination Committee for the duration of Mr Hambro’s appointment as a director of Petropavlovsk.

CHANGES TO THE BOARD OF DIRECTORS OF PETROPAVLOVSK

The Board notes from the Petropavlovsk Announcement that:

- (i) proxy voting on the resolutions submitted to Petropavlovsk at the Petropavlovsk 2020 AGM have been cast to elect four directors to Petropavlovsk, Mr Maxim Kharin (a director nominated by Joint Stock Company “Uzhuralzoloto Group of Companies” (“UGC”), an investor holding 22.37% of the issued share capital of Petropavlovsk) and Mr James Cameron, Mrs Katia Ray and Ms Charlotte Philipps as independent non-executive directors of Petropavlovsk;
- (ii) the following candidates unanimously proposed by the board of Petropavlovsk for election or re-election at the Petropavlovsk 2020 AGM have not been elected or re-elected: Dr Pavel Maslovskiy (chief executive officer of Petropavlovsk), Mr Danila Kotlyarov (chief financial officer of Petropavlovsk and a Non-Executive Director of IRC), and five independent non-executive directors of Petropavlovsk: Ms Fiona Paulus (chairman designate of Petropavlovsk), Mr Harry Kenyon-Slaney (senior independent director of Petropavlovsk), Mr Robert Jenkins (chairman of the audit committee of Petropavlovsk), Mr Damien Hackett (chairman of the risk committee of Petropavlovsk) and Mr Timothy McCutcheon;
- (iii) Petropavlovsk’s analysis of the voting shows that the votes against the existing board members of Petropavlovsk were cast almost entirely by four shareholder groups – UGC, Everest Alliance and Slevin (holding a combined 12.09% of the issued share capital of Petropavlovsk) and Fortiana Holdings (holding 4.62% of the issued share capital of Petropavlovsk); and
- (iv) in light of the foregoing, the Petropavlovsk board decided to appoint Mr Hambro as non-executive chairman of Petropavlovsk, Dr Alya Samokhvalova as executive director and chief executive officer of Petropavlovsk, Mr Martin Smith as independent non-executive director of Petropavlovsk and Ms Angelica Phillips as independent non-executive director of Petropavlovsk (the “**Temporary Petropavlovsk Directors**”) to take office as directors of Petropavlovsk from the conclusion of the Petropavlovsk 2020 AGM and remain in office until a further general meeting of shareholders of Petropavlovsk is convened and a new board of Petropavlovsk can be reconstituted that matches the listing requirements of a Premium Listed company on the Main Board of the London Stock Exchange; and
- (v) the Temporary Petropavlovsk Directors will be requested to convene a general meeting of shareholders of Petropavlovsk within three months of the date of the Petropavlovsk 2020 AGM at which resolutions will be put before the shareholders of Petropavlovsk for the election of a reconstituted board of Petropavlovsk. Immediately following the election of a new board of Petropavlovsk at such general meeting, the Temporary Petropavlovsk Directors will retire.

Accordingly, as at the date of this announcement, the board of Petropavlovsk comprises of Mr Hambro (non-executive chairman of Petropavlovsk), Dr Samokhvalova (executive director and chief executive officer of Petropavlovsk), Mr Kharin (director nominated by UGC) and the following five independent non-executive directors of Petropavlovsk: Mr Martin Smith, Ms Charlotte Philipps, Ms Angelica Phillips, Mr Cameron and Mrs Ray.

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.

Shareholders can access the Petropavlovsk Announcement at the website of Petropavlovsk.

The Board of IRC considers that the changes to the board of directors of Petropavlovsk and the re-designation of directors of IRC set out in this announcement will not have material impact to the operation of the Group.

FURTHER INFORMATION REGARDING THE RE-DESIGNATION OF IRC DIRECTORS

Mr Peter Charles Percival Hambro

Mr Hambro, 75, has been re-designated from the “Chairman and Non-Executive Director” to “Non-Executive Director” with effect from 1 July 2020. Mr Hambro will be re-designated to Chairman and Non-Executive Director following his retirement from the board of Petropavlovsk.

Mr Hambro is also the Chairman of the Nomination Committee of IRC. For the duration of Mr Hambro’s appointment as a director of Petropavlovsk, he will relinquish his chairman position of the Nomination Committee but will remain as a member of the Committee.

Save as disclosed above, Mr Hambro has not held any directorship in any other listed company in the three years preceding the date of this announcement. Prior to such three year period, Mr Hambro has been a director of a number of other public companies listed on the London Stock Exchange. Mr Hambro has spent almost 40 years in the metals business. He was the deputy managing director of London-based bullion trader, Mocatta and Goldsmid Limited, and served on the Mocatta Group Executive Committee. He is the Chairman of Peter Hambro Limited and founded Peter Hambro Mining PLC, now renamed Petropavlovsk PLC, with Dr Pavel Maslovskiy. Mr Hambro is also a Director of a number of unlisted family companies.

Mr Hambro was appointed a Non-Executive Director in July 2018 and was re-designated and signed a letter of appointment to serve as Chairman and Non-Executive Director of the Company for a term of 3 years commencing 19 December 2018, which can be terminated by either Mr Hambro or the Company on one year’s written notice. Under his letter of appointment, Mr Hambro shall receive a fee of US\$175,000 per annum which is determined by the Remuneration Committee with reference to his duty and responsibility for serving on the Board and may be varied from time to time by the Company’s Remuneration Committee having regard to the level of remuneration being paid to other directors of the Company from time to time.

As at the date of this announcement, Mr Hambro is interested in 15,330,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”). He also beneficially holds 20,450,395 shares in Petropavlovsk. Save as disclosed above, he does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as at the date of this announcement.

Save as disclosed above, there are no other matters relating to the re-designation of Mr Hambro that need to be brought to the attention of the shareholders of the Company nor is there any other information that is required to be disclosed pursuant to Rule 13.51(2)(h) – (w) of the Listing Rules.

Mr Daniel Rochfort Bradshaw

Mr Bradshaw, 73, has been re-designated from “Deputy Chairman and Senior Independent Non-Executive Director” to “Chairman and Senior Independent Non-Executive Director” with effect from 1 July 2020. Mr Bradshaw will be re-designated to “Deputy Chairman and Senior Independent Non-Executive Director” following Mr Hambro’s retirement from the board of Petropavlovsk. For the duration of Mr Hambro’s appointment as a director of Petropavlovsk, Mr Bradshaw will be the Chairman of the Nomination Committee of IRC.

Mr Bradshaw is also the Chairman of the Health, Safety and Environment Committee of IRC and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of IRC. He worked for most of his career as a solicitor and resigned from Mayer Brown in Hong Kong in March 2019. Mr Bradshaw holds an LLB and LLM in Law. He is a Director of the Kadoorie Farm & Botanic Garden Corporation, an Independent Non-Executive Director of GasLog MLP, and a member of the Executive Council of the World Wide Fund for Nature Hong Kong.

Mr Bradshaw has signed an appointment letter with the Company under which he agrees to act as an Independent Non-Executive Director of the Company for an initial term of three years commencing from 21 October 2010, and was last extended on 21 October 2019 for a term of three years, unless terminated by either party on one year’s written notice. Under his appointment letter, Mr Bradshaw is entitled to a director’s fee in the amount of US\$140,000 per annum which is determined by the Remuneration Committee with reference to his duty and responsibility for serving on the Board and having regard to the level of remuneration being paid to other directors of the Company from time to time.

As at the date of this announcement, Mr Bradshaw does not have any interest in the shares in the Company or its associated corporations within the meaning of Part XV of the SFO. Mr Bradshaw does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as at the date of this announcement.

Save as disclosed above, there are no other matters relating to the re-designation of Mr Bradshaw to the Chairman and Independent Non-Executive Director that need to be brought to the attention of the shareholders of the Company nor is there any other information that is required to be disclosed pursuant to Rule 13.51(2)(h) – (w) of the Listing Rules.

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

Hong Kong, People's Republic of China
Thursday, 2 July 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 and Mr Danila Kotlyarov. The Independent Non-Executive Directors are Mr Daniel Bradshaw, Mr Chuang-Fei Li, Mr Jonathan Martin Smith, Mr Raymond Kar Tung Woo and Mr Martin Davison.

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