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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
UPDATE ON PROPOSED DISPOSAL OF SHARES
BY A SUBSTANTIAL SHAREHOLDER
AND
RESUMPTION OF TRADING**

Friday, 28 May 2021: 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).

Reference is made to the announcement made by the Company on 19 March 2020 (the “**Announcement**”). As disclosed in the Announcement, the board of directors of IRC (the “**Board**”) was 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 an agreement (the “**Agreement**”) with Stocken Board AG (“**Stocken**”), a Liechtenstein-incorporated investment company. The Agreement sets out the 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 (the “**Proposed Transaction**”).

The Board notes that the Agreement was described as a preliminary agreement with non-binding terms in Petropavlovsk’s announcement dated 18 March 2020 and accordingly, this wording was followed in the Announcement. However, on 25 May 2021, the Board was informed by Petropavlovsk that Petropavlovsk had received notification from Gazprombank (“**GPB**”) that GPB had consented to the Proposed Transaction and that the Agreement had become binding upon Petropavlovsk. Accordingly, the Board understands that the Agreement constitutes a conditional sale and purchase agreement for the Sale Shares.

As set out in the Announcement, completion of the Agreement will be conditional upon certain conditions precedent, including the termination and irrevocable release of the Petropavlovsk Group from the guarantees (“**Guarantees**”) entered into by Petropavlovsk in favour of Gazprombank (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.

The Agreement will terminate if it has not completed by the longstop date. The longstop date is 180 days from the receipt of any consents that may be required under the Notes or confirmation by the Petropavlovsk board of directors that none is required.

Whilst the Agreement has become binding, there can be no certainty that the conditions precedent will be satisfied and, as such, that the Proposed Transaction will proceed to completion.

A refinancing of the Group’s GPB project finance facilities may be required in connection with the Proposed Transaction and the Release. Any such refinancing may include a new senior facility and a convertible bond issue by the Company, and, if such a refinancing is required, it would be subject to, among other things, approval by the Board of the Company.

Stocken has informed the Company that it 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. Petropavlovsk has informed the Company that it intends to dispose of its 1.2% shareholding in the Company (that is not subject to the Agreement) on-market prior to completion of the Proposed Transaction. Upon completion of the Proposed Transaction, Petropavlovsk would cease to hold any shares in the Company and would cease to be a 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.

Resumption of trading

Reference is made to the Company’s announcement dated 26 May 2021, pursuant to which it was disclosed that all dealings in the shares of the Company were halted with effect from 9:00 a.m. on 26 May 2021.

Application will be made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading of the shares of the Company expectedly with effect from 9:00 a.m. on 31 May 2021.

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
Friday, 28 May 2021

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, Mr Denis Alexandrov and Mr Aleksei Kharitontsev. 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.

IRC Limited

6H, 9 Queen's Road Central Hong Kong
Telephone: +852 2772 0007
Email: ir@ircgroup.com.hk
Website: www.ircgroup.com.hk

For further information please visit www.ircgroup.com.hk or contact:

Kent Lo

Manager – Communications & Investor Relations
Telephone: +852 2772 0007
Mobile: +852 9688 8293
Email: kl@ircgroup.com.hk