

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

POSITIVE PROFIT ALERT

Thursday, 10 June 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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the current information available to the Board, the Group has recorded a profit attributable to the shareholders of the Company of approximately US\$66.3 million (unaudited) for the four months ended 30 April 2021. The actual production rate of K&S in May 2021 was approximately 83% of capacity and the forecast production rate in June 2021 is expected to be similar. As such, and in the absence of any significant downward adjustments to iron ore prices or issues with production and sales in the remainder of June 2021, the Group is expected to record a larger unaudited profit attributable to the shareholders of the Company for the six months ending 30 June 2021 (“**1H 2021**”) than the unaudited profit attributable to shareholders of the Company of approximately US\$5.9 million for the six months ended 30 June 2020 (“**1H 2020**”).

The expected increase in profit in 1H 2021 as compared to 1H 2020 is mainly attributable to the significant increase in the market iron ore price in 1H 2021. The selling price of K&S’s product is determined with reference to the international Platts spot price of iron ore concentrate. The average Platts spot price of 65% iron ore concentrate for the 5 months ended 31 May 2021 was approximately 97% higher than that of the same period last year, leading to a significant increase in the Group’s revenue.

The Board also notes that as at 31 May 2021, the Group’s cash balance was approximately US\$75 million (31 December 2020: US\$20.4 million), and gross borrowings were approximately US\$199 million (31 December 2020: US\$203.9 million).

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group for the four months ended 30 April 2021 and the current information on production and sales for May and June 2021 available to the Board. This information has not been audited nor reviewed by the Company's auditor. The unaudited financial results of the Group for the six months ending 30 June 2021 will only be ascertained when all the relevant results and accounting treatments are finalised. The Company will make further announcement if additional material information in relation to the finalisation of the Group's financial results for the six months ending 30 June 2021 becomes available. Shareholders of the Company and potential investors are also advised that the Company's interim results announcement for the six months ending 30 June 2021 is expected to be announced before the end of August 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
Thursday, 10 June 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