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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 SCALING DOWN OF K&S'S OPERATION

Monday, 14 November 2022: This announcement is made by IRC Limited (“**IRC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 of the Laws of Hong Kong).

The Board of Directors (“**Board**”) of IRC wishes to inform shareholders and potential investors of the Company that due to the challenging and deteriorating operating environment, starting from mid-November 2022, K&S will scale down its operation in the production of iron ore concentrate by up to 50% of its current production rate, being 80% to 90% of the designed production capacity of K&S, to conserve cash and ore resources.

As noted in the Third Quarter Trading Update of the Company dated 8 November 2022, K&S is facing a difficult operating environment with weak market iron ore price, heightened operating costs resulted from strong Russian Rouble and inflation, as well as rising interest rate. Under the current market conditions, K&S is recording negative profit margins and it is not economical to continue operating at the current production rate. The Board considers that scaling down the operation of K&S is in the best interest of the Company and the shareholders of the Company as a whole as it could minimise operating cash outflow and conserve the ore resources of K&S for future production, when the operating environment becomes more favourable.

The Board considers that the Group's financial position is likely to be significantly adversely affected if the challenging operating environment persists. The Board will continue to monitor closely the development of the market conditions as well as the financial conditions of the Group to decide the appropriate timing for the resumption of the production rate of K&S, and will make further announcement(s) to provide updates to its shareholders and potential investors on the above matter if and when necessary.

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

By Order of the Board
IRC Limited
Denis Cherednichenko
Chief Executive Officer

Hong Kong, People's Republic of China
Monday, 14 November 2022

As at the date of this announcement, the executive Director is Mr. Denis Cherednichenko. The Chairman and non-executive Director is Mr. Nikolai Levitskii. The independent non-executive Directors are Mr. Dmitry Dobryak, Ms. Natalia Ozhegina, Mr. Alexey Romanenko and Mr. Vitaly Sheremet.

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:

Johnny Yuen

Finance Director (HK) and Company Secretary
Telephone: +852 2772 0007
Email: jy@ircgroup.com.hk