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

## **DISCLOSEABLE TRANSACTION DISPOSAL OF VESSEL**

### **THE DISPOSAL**

On 3 March 2023 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the MOA pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Vessel at the Consideration of US\$23,195,000 (equivalent to approximately HK\$180,921,000) according to the terms and conditions set out therein.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the MOA and the transaction contemplated thereunder constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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## **THE MOA**

### **Date:**

3 March 2023

### **Parties:**

Vendor: Ariti HK Limited

Purchaser: Limited Liability Company TK Wagon Trade

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties to the Company and its connected persons. The Purchaser is ultimately wholly-owned by Mr. Mikhail Victorovitch Skalkov.

### **Assets to be disposed**

Pursuant to the MOA, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Vessel named "ATLANTAS" (formerly known as "ATLAS DOUBLE") with the following particulars:

- |                               |   |                 |
|-------------------------------|---|-----------------|
| (1) Flag                      | : | Belize          |
| (2) Place of Registration     | : | Belize City     |
| (3) IMO Number                | : | 9722168         |
| (4) Classification Society    | : | RINA            |
| (5) Year of build             | : | 2014            |
| (6) Builder/Yard              | : | KMS Fregat Ltd. |
| (7) Gross Tonnage/Net Tonnage | : | 2499/749        |

### **Consideration**

The Consideration payable by the Purchaser pursuant to the MOA is US\$23,195,000 (equivalent to approximately HK\$180,921,000), subject to adjustment to be agreed by the Parties by signing an additional agreement depending on any additional costs and expenses, volume of mobilisation and preparation works executed/to be performed by the Vendor for delivery purposes.

The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (1). A Fixed Deposit of US\$12,000,000 shall be paid to the designated bank account of the Vendor within 20 Banking Days following date on which the MOA has been signed by the Parties, and in any event no later than then the actual date of delivery of the Vessel in the place designated in the MOA. The Fixed Deposit shall be held by the Vendor in its designated account and to be released only in accordance with the joint instructions of the Parties, and interest accrued on the Fixed Deposit (if any), shall be credited to the Purchaser.
- (2). The remaining balance of the Consideration shall be paid by the Purchaser to the designated bank account of the Vendor in the sum and according to the timing as indicated below:
  - (i). US\$5,000,000 shall be paid within three Banking Days from the date of sending by the Vendor to the Purchaser a 40-day notice of the estimated time of delivery of the Vessel;
  - (ii). US\$5,000,000 shall be paid within three Banking Days from the date of sending by the Vendor to the Purchaser a 20-day notice of the estimated time of delivery of the Vessel;
  - (iii). US\$1,195,000 shall be paid within two Banking Days from the date of sending by the Vendor to the Purchaser a three-day notice of the estimated time of delivery of the Vessel; and
- (3). if any adjustment has been agreed by the Parties by additional agreement, such balance shall be payable by the Purchaser to the Vendor in the manner agreed by the Parties in the additional agreement, but in any case no later than the date of registration of the transfer of the ownership of the Vessel.

The Consideration was determined with reference to the prevailing market value of crane vessels of similar type, size, condition of maintenance and age, the expenses incurred by the Vendor in arranging for delivery of the Vessel, including but not limited to towages and insurance, and was arrived at after arm's length negotiations between the Vendor and the Purchaser.

### **Delivery of the Vessel**

Under the MOA, the Vessel shall be delivered by the Vendor to the Purchaser on the outer road of Harbor of Kirkenes in Norway, and in any case in the territorial water of the Russian Federation. When the Vessel is at the place of delivery and in every respect physically ready for delivery in accordance with the MOA, the Vendor shall give the Purchaser a written notice of readiness for delivery. The Vessel is expected to be delivered by the Vendor to the Purchaser between 8 April 2023 and 8 May 2023.

The Vendor shall deliver the Vessel to the Purchaser with everything belonging to the Vessel on board and on shore and on order. All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel on board at the time of inspection, no matter used or unused, whether on board or not shall become the Purchaser's property upon delivery of the Vessel. The radio installation (including the Global Maritime Distress and Safety System) and navigational equipment shall also be delivered to the Purchaser, excluding satellite communication system equipment (i.e. Very Small Aperture Terminal), which is rented and should be returned prior to the delivery of the Vessel. List of equipment as set out in the MOA shall also be delivered together with the Vessel in "as is" condition.

The Purchaser shall also take over remaining bunkers and unused lubricating in storage tanks and sealed drums, and pay the net contract price (excluding barging expense) for the aforementioned as evidenced by copies of the suppliers' invoices and/or vouchers.

### **Information about the Parties**

The Vendor is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in the mining business.

The Purchaser is a company organised and existing under the laws of the Russian Federation and is principally engaged in the business of transshipment of cargo in various ports.

### **REASONS AND BENEFITS FOR THE DISPOSAL AND USE OF PROCEEDS**

In light of the complex external operating environment and the market challenges in recent period, the Group has been actively looking for investment opportunities. As previously disclosed in the announcement of the Company dated 5 January 2023, in relation to, among others, the acquisition of the Vessel, the Directors considered that the acquisition of the Vessel to be a favourable investment option for the Group, as crane vessels of similar type, size, condition of maintenance and age have a steady level of market demand. By entering into the MOA, the Disposal is revenue generating for the Group, with the net proceeds being the difference between the Consideration and the price Ariti HK paid for the acquisition of the Vessel and other ancillary expenses, and therefore being approximately US\$0.5 million (equivalent to approximately HK\$3.9 million). The Directors believe that the Disposal will enable the Group to enhance its working capital position and further strengthen its liquidity.

The Directors consider that the terms and conditions of MOA and the transaction contemplated thereunder are fair and reasonable and that the Disposal is in the interest of the Company and the Shareholders as a whole.

The Group intends to keep all net sale proceeds as general working capital of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the MOA and the transaction contemplated thereunder constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the contents otherwise requires, the following expressions have the following meaning in this announcement:

“Banking Day”	days on which banks are open in the United States of America, Norway and the Russian Federation
“Board”	the board of Directors
“Classification Society”	means an independent society which certifies that a vessel has been built and maintained in accordance with the rules of such society and complies with the applicable rules and regulations of the flag state of such vessel and the international conventions of which that country is a member
“Company”	IRC Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	US\$23,195,000 (equivalent to approximately HK\$180,921,000), subject to adjustment to be agreed by the parties to the MOA by signing an additional agreement depending on any additional costs and expenses, volume of mobilisation and preparation works incurred/to be performed by the Vendor for delivery purpose, being the amount payable by the Purchaser to the Vendor for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Vessel pursuant to the MOA
“Fixed Deposit”	a fixed deposit of US\$12,000,000 payable by the Purchaser to the Vendor pursuant to the MOA
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party”	third party independent of the Company and the connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOA”	a memorandum of agreement dated 3 March 2023 entered into between the Purchaser and the Vendor in respect of the Disposal
“Parties”	the Vendor and the Purchaser, being parties to the MOA
“Purchaser”	Limited Liability Company TK Wagon Trade, a company organised and existing under the laws of the Russian Federation, with registered number (PSRN): 1227700302961, and an independent third party to the Company
“Shareholders”	holders of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor” or “Ariti HK”	Ariti HK Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
“Vessel”	a crane vessel named “ATLANTAS” (formerly known as “ATLAS DOUBLE”) with Belize Flag, further particulars of which are set out in the paragraph headed “Assets to be disposed” in this announcement
“%”	per cent.

*Note: For the purpose of this announcement, amount denominated in the US\$ have been translated to HK\$ at an exchange rate of US\$1 to HK\$7.80. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates.*

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

Hong Kong, People’s Republic of China  
Friday, 3 March 2023

*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.*

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