

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. The information set out below in this announcement is provided for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in the Company.



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

PROFIT WARNING

Wednesday, 23 August 2023: 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 (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to advise its shareholders and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the “**Current Period**”) and the information currently available, the Group expects to record a profit attributable to the owners of the Company, excluding assets impairment, in the range of approximately US\$5 million to US\$10 million for the Current Period (six months ended 30 June 2022 (the “**Corresponding Prior Period**”): profit attributable to the owners of the Company, excluding assets impairment, of US\$35.1 million). The Board considers that the expected deterioration in the Group’s financial performance for the Current Period as compared to the Corresponding Prior Period is mainly due to the significant decrease in the market iron ore price. The selling price of K&S’s product is determined with reference to the international Platts spot price of 65% iron ore concentrate. As the average Platts spot price of 65% iron ore concentrate in the Current Period was US\$132 per tonne, representing a 20.0% decrease as compared to the average of US\$165 per tonne in the Corresponding Prior Period, the selling price of K&S’s product also decreased.

In addition, based on the information currently available to the Board, the Board expects that the Group may be required to make a provision for asset impairment loss for the K&S mine as at 30 June 2023 of approximately US\$75 million (as at 30 June 2022: provision for asset impairment loss of US\$113.0 million). The need to make the asset impairment provision is mainly due to the weaker Platts spot price of 65% iron ore concentrate as at 30 June 2023 as compared to that as at 31 December 2022. Shareholders should note that any impairment charge or reversal is non-cash and non-recurring in nature and would not have a direct impact on the cash flows of the Group.

Taking into account the impairment provision of the K&S mine of approximately US\$75 million as abovementioned, the Group expects to record a loss attributable to the owners of the Company in the range of approximately US\$65 million to US\$70 million for the Current Period (Corresponding Prior Period: loss attributable to the owners of the Company of US\$77.9 million).

The information contained in this announcement is based on the preliminary review and assessment by the Board with reference to the latest available financial and other information, and such information has not been audited nor reviewed by the auditor of the Company thus may be subject to further adjustments. The Group's interim results for the Current Period may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Current Period for further details, which is expected to be published on 30 August 2023 in compliance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professionals or financial advisers.

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

Hong Kong, People's Republic of China
Wednesday, 23 August 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.

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) & Company Secretary
Telephone: +852 2772 0007
Email: jy@ircgroup.com.hk