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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 EQUITY INTEREST IN A JOINT VENTURE COMPANY

THE DISPOSAL

On 28 July 2025 (after trading hours), the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase 46% of the equity interest in the JV Company at a consideration of RMB32.2 million (equivalent to approximately US$4.5 million) according to the terms and conditions set out in the Equity Transfer Agreement. Upon Closing, the Seller will cease to have any equity interest in the JV Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

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Principal Terms of the Equity Transfer Agreement

Date:	28 July 2025 (after trading hours)
Parties:	(i) the Seller; and (ii) the Purchaser
Subject matter:	Pursuant to the Equity Transfer Agreement, the Seller has agreed to sell, and the Purchaser has agreed to acquire, 46% of the equity interest in the JV Company.
Consideration:	The consideration of the Disposal is RMB32.2 million (equivalent to approximately US$4.5 million). Within 1 business day after the date of the Equity Transfer Agreement, the Purchaser shall pay the Consideration to an escrow account designated by the Seller. Such Consideration in escrow shall be released to the Seller under joint instruction of the Purchaser and the Seller within 5 business days upon the completion of all governmental registration and filing procedures in the PRC needed for the transfer of equity interest in the JV Company as set out in the paragraph headed "Post-Closing Obligations" in this section.
Conditions precedent:	The Purchaser will only be obliged to proceed to Closing following the satisfaction or waiver (at the Purchaser's discretion) of the following conditions precedent: (i) the representations and warranties of the Seller contained in the Equity Transfer Agreement being true and correct when made and shall remain true and correct in all material respects as of the Closing Date with the same force and effect as if made as of the Closing Date; the covenants and agreements contained in the Equity Transfer Agreement to be complied with by the Seller on or before the Closing Date shall have been complied with in all material respects; and (ii) there being no laws and regulations, court decisions and rulings or decisions of governmental agencies to prohibit or restrict the Disposal.

The Seller will only be obliged to proceed to Closing following the satisfaction or waiver (at the Seller's discretion) of the following conditions precedent:

(i) the passing of shareholders' resolutions of the JV Company approving the Disposal, and the waiving of the right of first refusal and/or any pre-emption right of similar nature by the shareholders of the JV Company which are not a party to the Equity Transfer Agreement (i.e. Jianlong Steel and Kuranakii);

(ii) the payment by the Purchaser of the Consideration in full to the escrow account in accordance with the terms of the Equity Transfer Agreement;

(iii) the execution of the Termination and Release Agreement;

(iv) the representations and warranties of the Purchaser contained in the Equity Transfer Agreement being true and correct when made and shall remain true and correct in all material respects as of the Closing Date with the same force and effect as if made as of the Closing Date; the covenants and agreements contained in the Equity Transfer Agreement to be complied with by the Purchaser on or before the Closing Date shall have been complied with in all material respects; and

(v) there being no laws and regulations, court decisions and rulings or decisions of governmental agencies to prohibit or restrict the Disposal.

Either party may terminate the Equity Transfer Agreement if the conditions precedent set out above are not satisfied or waived in accordance with the terms of the Equity Transfer Agreement within 45 days from the date of the Equity Transfer Agreement. Notwithstanding the foregoing, if the failure to satisfy any condition precedent is attributable to a party, such party shall not have the right to terminate the Equity Transfer Agreement on that basis.

Closing: Closing shall take place after all conditions precedent are satisfied and/or waived by the parties in writing, at such time and place as the parties may agree in writing.

On and from the Closing Date, all gains and losses related to the 46% equity interests in the JV Company to be sold by the Seller shall be owned and assumed by the Purchaser, and upon Closing, the Seller will cease to have any equity interest in the JV Company and shall no longer enjoy shareholder rights or assume shareholder obligations as the shareholder of the JV Company.

Post-Closing Obligations: The Purchaser shall use its reasonable best efforts to procure or cause to be procured the satisfaction of the following as soon as practically possible and in any event no later than 15 business days after the Closing Date:

(i) having completed the registration of change for this Disposal with competent Administration of Market Regulation (市場監督管理局), which reflects, among other things, that the Purchaser has become the holder of the 46% equity interest in the JV Company;

(ii) having completed tax filing for overseas payment for trade in services and other items (服務貿易等項目對外支付税務備案) with the competent tax authority; and

(iii) having completed the alteration change of the foreign-invested enterprise basic information (外商投資企業基本信息變更登記) for this Disposal and change of the shareholder of the 46% equity interest in the JV Company from the Seller to the Purchaser (the "**SAFE Filing**"); and upon completion of the SAFE Filing, the JV Company having obtained the corresponding foreign exchange registration certificate (外匯業務登記憑證).

Reverse Transaction: If the Seller has not received the Consideration in full within 60 days after the Closing Date, the Seller has the right to terminate the Equity Transfer Agreement; and in such a case, the Purchaser shall use its best efforts and take all necessary actions to re-register the Seller as the owner of the 46% equity interest of the JV Company and a shareholder of the JV Company, (the "**Reverse Transaction**") and complete the relevant registration and filing formalities in connection with such Reverse Transaction.

Basis of the Consideration

The consideration of RMB32.2 million for the 46% of equity interest in the JV Company was arrived at after arm's length negotiations between the Seller and Purchaser on normal commercial terms. In arriving at the Consideration, the Group has considered, among others, the Group's initial investment costs of approximately US$6.8 million in the JV Company, the full provision made in respect of the Group's interest in the JV Company in the past years the further details of which have been set out in the paragraph headed "Reasons and benefits for the Disposal" below, and the loss making and net liabilities position of the JV Company in previous years.

INFORMATION OF THE JV COMPANY

The JV Company is a limited liability company established in the PRC with a fully paid registered capital of RMB100 million. The JV Company principally engages in the manufacture and sale of vanadium pentoxide and other vanadium products. As at the date of this announcement, it is owned as to 49% by Jianlong Steel, 46% by the Seller, and 5% by Kuranakii.

Jianlong Steel is a company established in the PRC, which principally engages in the smelting of steel and iron, rolling and processing of steel, manufacturing of non-ferrous metals and alloys, sale of metallic materials, and import and export of goods and technologies, whereas Kuranakii is a company incorporated in Hong Kong. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) Jianlong Steel, which is ultimately owned by Mr. Zhang Zhixiang; and (ii) Kuranakii, which is ultimately owned as to 50% by Mr. Li Tie Fu and 50% by Mr. Fung Yuan Sheng, and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

A summary of the audited financial information of the JV Company prepared in accordance with the PRC GAAP for the two years ended 31 December 2023 and 2024 is set out as follows:

	For the year ended 31 December	
	2023	**2024**
	(audited)	**(audited)**
	RMB'000	*RMB'000*
Revenue	843,488	748,812
Net loss (before tax)	39,159	22,665
Net loss (after tax) *(Note)*	39,159	22,665

Note: Due to the net loss recorded, the JV Company did not record any income tax payable for the year ended 31 December 2023 and 2024, respectively.

As at 31 December 2024, the audited net liabilities of the JV Company amounted to approximately RMB65.5 million.

REASONS AND BENEFITS FOR THE DISPOSAL

As previously disclosed in the annual reports of the Company, full provisions had been made on the Group's interest in the JV Company in accordance with the HKFRS as a result of its poor financial performance. As the Group's share of losses of the JV Company exceeds the Group's interest in the JV Company (i.e. the Group's net investment in the JV Company), the Group had discontinued recognising the share of further losses of the JV Company according to the applicable accounting standards. The Group had not recognised its investment in the JV Company in its consolidated statement of financial position nor share any profit or loss and other comprehensive income of the JV Company since the financial year ended 31 December 2017. As at 31 December 2024 and the date of this announcement, the Group's equity interest in the JV Company does not have a carrying amount.

Taking into consideration that the JV Company has not been generating profits to the Group, the Group considers that by divesting from the JV Company, the Group would be able to recover a significant portion of its loss in its investment in the JV Company. Since Jianlong Steel (through the Purchaser) has shown interest in acquiring the 46% equity interest of the JV Company in order to increase its control in the JV Company, the Group considers the Disposal under the Equity Transfer Agreement an advantageous arrangement to the Group.

The Directors consider that the transactions under the Equity Transfer Agreement are on normal commercial terms, the terms and conditions of Equity Transfer Agreement are fair and reasonable and that the Disposal contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL

As the Group's equity interest in the JV Company does not have a carrying amount as at 31 December 2024 and the date of this announcement, it is estimated that the Group will record a gain on the Disposal of approximately US$4.5 million. The Board does not envisage that the Disposal will create any adverse impact on the Group's financial position or operation. Such gain from the Disposal expected by the Company is unaudited and may be different upon the closing of the Disposal. It is expected that the net proceeds from the Disposal will be used for other potential investments and/or business opportunities that may arise and as general working capital of the Group.

INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Ariva HK is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Group. The Group is principally engaged in the mining business.

Xianglong is a limited liability company established in the PRC, and a wholly-owned subsidiary of Jianlong Steel and Jianlong Steel is ultimately owned by Mr. Zhang Zhixiang. Xianglong is principally engaged in the import of iron ore and wholesale and retail of fine iron, coal, coke and steel. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Xianglong, Jianlong Steel, and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Ariva HK" or "Seller"	Ariva HK Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Closing"	closing of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
"Closing Date"	the date on which Closing takes place
"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"	RMB32.2 million (equivalent to approximately US$4.5 million), being the amount payable to Seller by the Purchaser for the Disposal
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of 46% equity interest in the JV Company by the Seller to the Purchaser pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated 28 July 2025 entered into between the Seller and the Purchaser in relation to the Disposal
"Group"	the Company and its subsidiaries from time to time
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China

"Jianlong Steel"	Heilongjiang Jianlong Steel Co., Ltd. (黑龍江建龍鋼鐵有限公司), a limited liability established under the laws of the PRC, a shareholder of the JV Company directly holding 49% equity interest, and also the 100% sole shareholder of the Purchaser
"JV Company"	Heilongjiang Jianlong Vanadium Industries Co., Ltd (黑龍江建龍釩業有限公司), a limited liability company established under the laws of the PRC
"JV Contract"	the sino-foreign equity joint venture contract in respect of the establishment of the JV Company entered into between Jianlong Steel, the Seller, Kuranakii on 11 February 2009, to provide for, among other things, the corporate governance of the JV Company and the rights and obligations of the parties to the JV Contract
"Kuranakii"	Kuranakii Investment Co., Limited (古拉納赫投資有限公司), a company incorporated in Hong Kong, a shareholder of the JV Company directly holding 5% equity interest
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"PRC GAAP"	generally accepted accounting principles in the PRC
"Purchaser" or "Xianglong"	Heilongjiang Xianglong International Trade Co., Ltd. (黑龍江祥龍國際貿易有限公司), a limited liability company established under the laws of the PRC, and a wholly-owned subsidiary of Jianlong Steel
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	holders of the ordinary share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Termination and Release Agreement"	a termination and release agreement in the same form as set out in the exhibit of the Equity Transfer Agreement, to be executed by the JV Company, Seller, Jianlong Steel and Kuranakii, for the termination of the JV Contract on the part of the Seller and the release of all obligations and liabilities of the Seller in the JV Contract with effect from the Closing Date

"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

Note: For the purpose of this announcement, amount denominated in RMB have been translated to US$ at an exchange rate of US$1 to RMB7.2. 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
Monday, 28 July 2025

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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