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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
PURCHASE OF MINING EQUIPMENT

PURCHASE OF MINING EQUIPMENT

On 29 October 2026 (after trading hours), the Buyer, a wholly-owned subsidiary of the Company, entered into a Novation Agreement with the Seller and the Original Buyer, pursuant to which the Original Buyer agreed to novate, and the Buyer agreed to assume all the rights and obligations of the Original Buyer under the Purchase Agreement (including the obligation to pay the total outstanding consideration of approximately RUB1,258.0 million (tax inclusive, equivalent to approximately USD15.5 million)), for the procurement of the Mining Equipment.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio of the transaction under the Novation Agreement is higher than 5% but is lower than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

NOVATION AGREEMENT

On 29 October 2026 (after trading hours), the Buyer, a wholly-owned subsidiary of the Company, entered into the Novation Agreement with the Seller and the Original Buyer, pursuant to which the Original Buyer agreed to novate, and the Buyer agreed to assume all the rights and obligations of the Original Buyer under the Purchase Agreement, (including the obligation to pay the total outstanding consideration of approximately RUB1,258.0 million (tax inclusive equivalent to approximately USD15.5 million)), for the procurement of the Mining Equipment ("**Purchase Price of the Equipment**"). Upon completion of the Novation, the Original Buyer shall be released from and be discharged of, among others, its liabilities and obligations in respect of the payment of the Purchase Price of the Equipment to the Seller, subject to the terms of conditions provided herein.

The material terms of the Novation Agreement are as follows:

Date	:	29 October 2026 (after trading hours)
Parties	:	The Buyer The Original Buyer The Seller
Subject matter	:	The rights and obligations of the Original Buyer under the Purchase Agreement, including the supply and installation of the Mining Equipment by the Seller, the commissioning works and the conduct of acceptance tests for the Mining Equipment and the obligation of the Original Buyer in relation to the payment of the remaining purchase price of the Mining Equipment.
Consideration	:	Pursuant to the Novation Agreement, the Buyer agreed to assume all of the rights, benefits, liabilities and obligations of the Original Buyer in respect of the Mining Equipment under the Purchase Agreement and the Buyer shall pay the total outstanding consideration of approximately RUB1,258.0 million (tax inclusive equivalent to approximately USD15.5 million) for the procurement of the Mining Equipment under the Purchase Agreement. Upon completion of the Novation, the Original Buyer shall be released from and be discharged of, among others, its liabilities and obligations in respect of the payment of the Purchase Price of the Equipment to the Seller.
Payment term	:	Within 30 calendar days from the date of signing of the Novation Agreement, the Buyer shall make a payment of approximately RUB672.6 million (tax inclusive equivalent to approximately USD8.3 million) to the Original Buyer. The Buyer shall then assume the rights and obligations of the Original Buyer and make 26 equal monthly instalments of approximately RUB22.5 million (equivalent to approximately USD0.3 million) each to the Seller as the payment of the remaining purchase price of the Mining Equipment.

BASIS FOR DETERMINATION OF CONSIDERATION

The consideration was determined after arm's length negotiations on normal commercial terms between the Buyer, the Original Buyer and the Seller taking into account the partial instalment payment already made by the Original Buyer under the Purchase Agreement up to the date of the Novation Agreement and the market value of the Mining Equipment.

It is currently expected that the consideration will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NOVATION AGREEMENT

The Group intends to acquire additional machinery to enhance its overall operational capacity for the Group's ongoing and upcoming projects. The acquisition of the Mining Equipment under the Novation Agreement is in line with the Group's strategic objective to integrate its own mining fleet and to undertake its own drilling and excavation works, thereby gradually reducing its reliance on external mining contractors. By purchasing its own mining equipment, the Group will be able to progressively take over mining works currently outsourced to contractors and fully capture the operational and economic benefits arising from the Sutara mine. This strategic move is expected to enable the Group to achieve long-term cost control and enhanced operational control over its mining activities.

In particular, the Directors note that the Mining Equipment is highly specialised, built-to-order and not readily available for sale on the open market. To the best of the knowledge, information, and belief of the Directors, manufacturing of a new Mining Equipment typically requires a lead time of more than 12 months. The Mining Equipment being acquired is readily deployable and fits the technical requirements necessary to satisfy the Group's immediate and near-term operational needs at the Sutara mine. Therefore, the entering into of the Novation Agreement allows the Group to shorten this lengthy procurement cycle and immediately satisfy its current operational needs.

In light of the above, the Board believes that the terms of the Novation Agreement are fair and reasonable and that the entering into of the Novation Agreement and the transactions contemplated thereby are in the interests of the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company, the Group and the Buyer

The Company is a company incorporated in Hong Kong with limited liability and its shares are listed on the main board of the Stock Exchange (stock code: 1029). The Group is principally engaged in the production and development of industrial commodities products including iron ore concentrate.

The Buyer is a company incorporated under the laws of Russian Federation and a wholly-owned subsidiary of the Company. It is principally engaged in the development and mining of magnetite iron ore.

The Seller

The Seller is a company incorporated under the laws of Russian Federation. The Seller is principally engaged in the engineering, production, and maintenance of heavy mining equipment.

Pursuant to the relevant laws and regulations of Russian Federation regarding restricted corporate disclosure for designated entities (including the regulations governing the Unified State Register of Legal Entities of Russia, the official, centralised federal corporate registry of the Russian Federation), certain details regarding the ownership and management of the Seller are classified, restricted from public access, and cannot be verified through public registries. Due to such official restriction and classification, the Company was unable to obtain and verify the identities of the ultimate beneficial owners of the Seller from public record.

To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries within the legal limitation of the relevant jurisdiction, the Seller and its ultimate beneficial owners (to the extent identifiable) are third parties independent of the Company and its connected persons (as defined under the Listing Rules). None of the material aspects of the transaction involve any connected persons of the Company.

The Original Buyer

The Original Buyer is a joint-stock company incorporated under the laws of Russia. It is principally engaged in the mining of coal. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of the Original Buyer is JSC SUEK (Siberian Coal Energy Company), the largest coal producer in Russia. According to the public information available, JSC SUEK was ultimately controlled by Mrs. Aleksandra Melnichenko, a Russian individual.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Original Buyer and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio of the transaction under the Novation Agreement is higher than 5% but is lower than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"Board"	the board of Directors
"Buyer"	Kimkano-Sutarsky Mining and Beneficiation Plant LLC, a limited liability company incorporated under the laws of Russian Federation and a wholly-owned subsidiary of the Company
"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 (stock code: 1029)
"Directors"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mining Equipment"	One unit of EKG-20KM quarry excavator
"Novation Agreement"	The novation agreement dated 29 October 2026, entered into among the Buyer, the Seller and the Original Buyer, in relation to the transfer of all the rights and obligations under the Purchase Agreement
"Original Buyer"	JSC Urgalugol, a joint-stock company incorporated under the laws of Russian Federation, an independent third party
"PRC"	the People's Republic of China
"Purchase Agreement"	The purchase agreement dated 22 April 2025 in respect of the sale and purchase of the Mining Equipment between the Original Buyer and the Seller, as amended by the Supplemental Agreement and the Second Supplemental Agreement
"RUB"	Russian Ruble, the lawful currency of the Russian Federation
"Second Supplemental Agreement"	the second supplemental agreement entered into between the Original Buyer and the Seller on 28 August 2025 in respect of the sale and purchase of the Mining Equipment

"Seller"	IZ-KARTEX named after P.G. Korobkov Ltd, a company incorporated under the laws of Russian Federation, an independent third party
"Shareholder(s)"	the holder(s) of the Shares
"Shares"	ordinary share(s) in the share capital of the Company with no nominal value
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement entered into between the Original Buyer and the Seller on 5 August 2025 in respect of the sale and purchase of the Mining Equipment
"United States"	The United States of America
"USD"	United States dollars, the lawful currency of the United States
"%"	per cent

For the purpose of this announcement, unless otherwise specified, the conversion of RUB into USD is based on the approximate exchange rate from RUB81 to USD1.00. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

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

Hong Kong, 29 October 2026

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