

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)

**SECOND QUARTER TRADING UPDATE
FOR THE THREE MONTHS ENDED 30 JUNE 2022
INCREASE IN SALES & PRODUCTION VOLUME BY 20.4% & 12.3% RESPECTIVELY
PROFIT WARNING – WEAK IRON ORE PRICE & HIGH INFLATION**

CONFERENCE CALL

A conference call will be held today at 14h30 Hong Kong time to discuss the second quarter trading update. The number is +852 2112 1888 and the passcode is 8955005#. Presentation slides to accompany the call are available at www.ircgroup.com.hk. A replay call will be available from 8 August 2022 at http://www.ircgroup.com.hk/en/ir_presentations.php.

Friday, 5 August 2022: The Board of Directors (“**Board**”) of IRC Limited (“**IRC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to provide the Second Quarter Trading Update for the three months ended 30 June 2022 (“**Q2 2022**”).

HIGHLIGHTS – Q2 2022

K&S

- 20.4% increase in sales volume over the previous quarter (“**Q1 2022**”), mainly due to railway congestion alleviated;
- 12.3% increase in production volume, in line with the sales increase;
- Russian cross-border railway congestion gradually alleviated, enabling shipment of record volumes in Q2 2022; and
- Active preparation of the Sutara deposit with the aim of processing Sutara ore by the second half of 2023.

Corporate & Industry

- Cash balance increased to US\$77 million (Q1 2022: US\$39 million); Net debt decreased to US\$26 million (Q1 2022: US\$69 million) following stringent cash management, working capital movements and increase in payables;
- Platt’s 65% iron ore index averaged US\$161 per tonne (Q1 2022: US\$170 per tonne). But price level softened and closed at US\$125 per tonne at the end of July 2022 reflecting China’s economy slowdown;
- Average Russian Rouble appreciated to RUB67 to the US Dollar (Q1 2022: RUB86) and closed at RUB51 at the end of the second quarter negatively affecting K&S production costs denominated in RUB; and
- High Russian general inflation rate of 16.9% (Q1 2022: 11.5%) worsened by geopolitical factors leading to significant increase in logistic costs for imported spare parts and materials and consequent increase in mining contractors rates.

SECOND QUARTER TRADING UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2022

SUMMARY OF PERFORMANCE

| | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Change</u> | <u>Q2 2021</u> | <u>Change</u> | <u>H1 2022</u> | <u>H1 2021</u> | <u>Change</u> |
|--|----------------|----------------|---------------|----------------|---------------|------------------|----------------|---------------|
| Platts 65% Fe (average price per tonne) | US\$161 | US\$170 | (5.3%) | US\$232 | (30.6%) | US\$165 | US\$211 | (21.8%) |
| Iron Ore concentrate | | | | | | | | |
| – Production (tonnes) | 665,773 | 593,074 | 12.3% | 665,974 | (0.0%) | 1,258,847 | 1,310,718 | (4.0%) |
| – Sales (tonnes) | 697,610 | 579,438 | 20.4% | 634,381 | 10.0% | 1,277,048 | 1,300,045 | (1.8%) |

In the second quarter of 2022, as the railway congestion had alleviated, K&S successfully increased its sales volume by 20.4% and shipped 697,610 tonnes of iron ore concentrate to its customers. Despite the improvement in sales, logistical issues to the Chinese dry ports persisted. In order to mitigate the impact, K&S has continued to sell to the Russian local market as well as the Chinese seaborne customers.

K&S's production was curtailed in the previous quarter due to shipment constraints with production having to slow down after the storage was full. During the second quarter, with the railway congestion alleviated, K&S increased its production volume by 12.3% to produce 665,773 tonnes of iron ore concentrate.

Despite the various operating challenges, K&S managed to improve its production rate to 84.6% of its full capacity in the second quarter (Q1 2022: 76.2%). Taking advantage of the strong operating performance, as well as stringent cash management, working capital movements and increase in payables, the Group's cash balance increased to US\$77 million and the net debt had been reduced to US\$26 million at the end of the second quarter.

While K&S is operating as efficiently as possible under the current circumstances, unfortunately, the external operating environment has been deteriorating, especially in the third quarter of 2022. The softening of iron ore price, rising Russian inflation, strengthening of Russian Rouble and the increase in market interest rate all pose significant challenges to IRC. While these external factors are, to a large extent, beyond IRC's control, a cautious approach will be taken to manage the various risks and challenges.

Profit Warning

The Board wishes to advise its shareholders and potential investors that, pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and the information currently available, the Group expects to record a profit attributable to the owners of the Company, excluding assets impairment, of between approximately US\$30 million to US\$40 million (corresponding period in 2021: profit of US\$98.3 million). The Board considers that the expected deterioration in the Group's financial performance compared to the six months ended 30 June 2021 is mainly due to:

- 1) 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. The average Platts spot price of 65% iron ore concentrate in the first half of 2022 was US\$165 per tonne, 21.8% lower than that in the first half of 2021 of US\$211 per tonne; and
- 2) the rise in Russian inflation. Due to geopolitical issues, the average Russian inflation was 14.2% in the first half of 2022. With the Group's operation mostly being conducted in Russia, the high inflation rate resulted in increase in cost levels.

In addition, based on the information currently available to the Board, the Board expects that the Group may be required to recognise a provision for asset impairment loss for the K&S mine as at 30 June 2022. However, whether such impairment shall be made, and if made, the amount thereof, are yet to be determined and agreed by the Board and to be reviewed by the auditor of the Company. The recognition of a provision for asset impairment loss, if needed, could adversely affect the Group's financial performance for the six months ended 30 June 2022. Any impairment of the K&S mine would principally be due to the weaker Platts price of 65% iron ore concentrate as at 30 June 2022 (as compared to that as at 31 December 2021) as well as adjustments to the long-term mining and production plans.

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. The Company endeavours to monitor the situation and will make a further announcement about any such impairment, if necessary, as soon as practicable.

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 actual financial results of the Group for the six months ended 30 June 2022 may be different from what is disclosed in this announcement.

Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2022 which is expected to be published by the end of August 2022, and the subsequent publication of the 2022 interim report of the Company.

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.

Commenting on the performance of the second quarter, Mr Denis Cherednichenko, Chief Executive Officer (“CEO”) of IRC said, *“This is my first trading update as the CEO of the Company and I am delighted to report K&S’s impressive second quarter operating performance. Despite the ongoing logistical challenges, IRC has achieved satisfactory results, as evidenced by the growing cash balance and the reduction in IRC’s net debt. I am also pleased to report that the development of Sutara is gathering pace.*

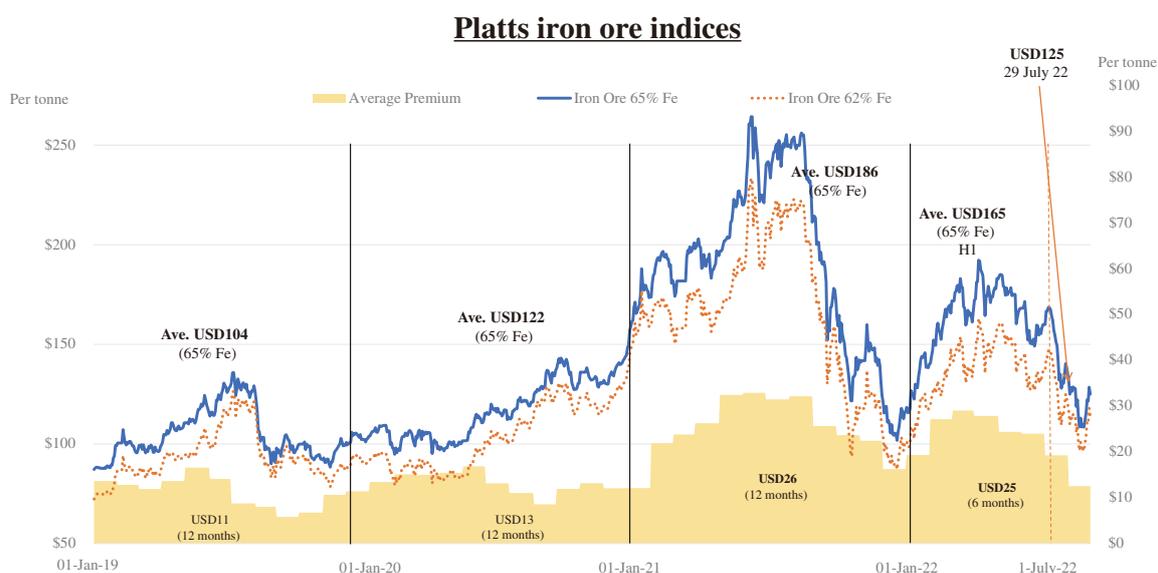
Unfortunately, as we enter into the third quarter of the year, the external operating environment, which is largely out of our control, is worsening. Platt’s 65% Fe price dropped significantly to US\$125 per tonne at the end of July due to expectations of a weaker global economy and lower demand growth in China, particularly if China’s zero-virus policy remains in place. Aside from rising inflation as a result of geopolitical issues and surging energy prices, the Russian Rouble had also experienced a stunning turnaround and strengthened to as high as RUB53 per US Dollar in early Q3.

The future is filled with challenges. But with our wealth of experience of operating in Russia and our positive mindset, we are confident of navigating the troubled waters and steering IRC to safety. As always, the Board will take a cautious approach in managing various risks and dealing with adversities.”

MARKETING, SALES AND PRICES

Iron Ore

Following a momentary rebound in the first quarter of 2022, iron ore prices fell again in the second quarter. The Platt's 65% Fe price was US\$135 per tonne at the end of June, down 4.3% from the beginning of the year. As global inflation worsened due to geopolitical issues and rising energy prices, the economy suffered. The market sentiment was also affected by the slowing economic growth and weak domestic demand in China as a result of COVID-19. Markets are concerned that demand growth expectations associated with China's pledge to increase infrastructure investment may not be realised, particularly if China's zero-virus policy remains in place. In the first half of 2022, the average price of high-grade iron ore was US\$165 per tonne, down 11% from the average price in 2021. Iron ore price level continues to be in downward spiral and closed at US\$125 per tonne at the end of July 2022.



Source: Platts (as of 29 July 2022)

The price spread between high-grade and low-grade iron ore remained wide in the first half of this year, averaging US\$25 per tonne, up 8.7% from the second half of the previous year. However, due to continued lower profits for Chinese steel mills which triggered greater demand for lower quality ore, low-grade iron ore prices were strong in the second quarter. The price premium between 65% Fe and 62% Fe reduced to US\$23 per tonne in Q2 2022, representing a 17.9% decrease from the previous quarter.

The selling price of the K&S's product is determined with reference to the international Platts iron ore price indices. The achieved selling price of K&S in the second quarter of 2022 is not published in this trading update for commercial reasons. The relevant information will be analysed and disclosed in the 2022 interim results announcement.

Iron Ore Hedging

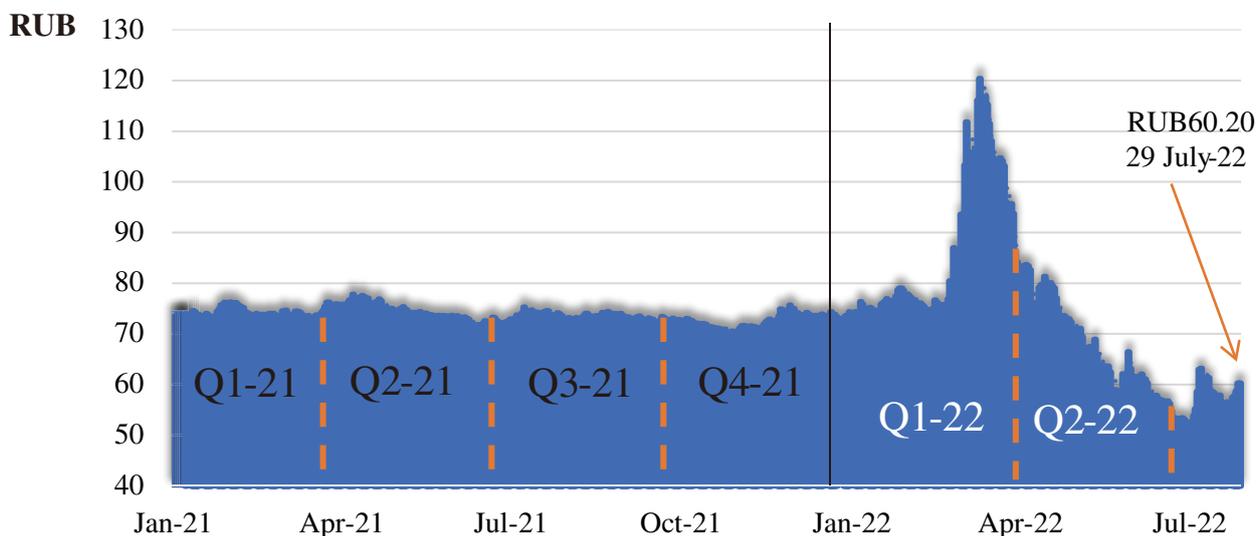
IRC has taken the opportunity to lock-in the strong iron ore price using derivatives on the 62% iron ore index. For Q2 2022, about 20% of K&S's expected production had been hedged with put options on the 62% iron ore index at around US\$110 per tonne. It should be noted that the hedging is not speculative in nature and is for risk management purposes.

The hedging that IRC has entered into provides some price protection under the current weak iron ore price environment.

Foreign Exchange Movements and Hedging

The Russian Rouble was extremely volatile in Q2 2022. Initially, the currency depreciated to the level of RUB120 to the US Dollar. But the currency strengthened drastically towards the latter part of the second quarter, owing largely to Russia's aggressive measures to stem the flow of money out of country, which, when combined with a dramatic rise in the price of fossil-fuels, created huge demand for the Rouble and pushed up its value. The Rouble closed at RUB51 to the US Dollar at the end of the quarter.

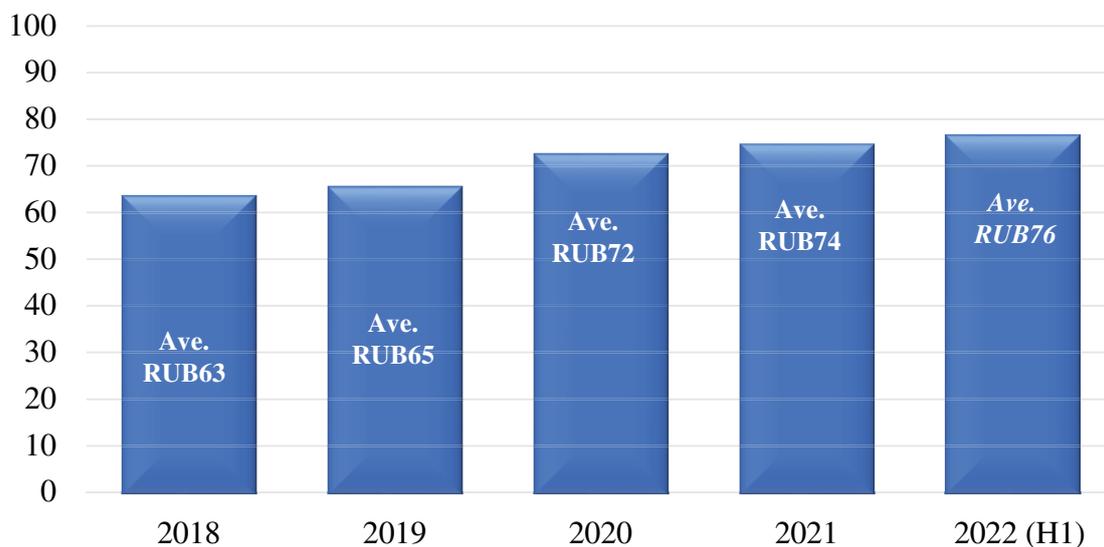
USD to RUB historical prices



Source: Bank of Russia (as of 29 July 2022)

Despite the volatility in Q2 2022 and the significant appreciation towards the end of the quarter, the average Russian Rouble in the first half of 2022 of RUB76 to the US Dollar remained weak:

USD to RUB average prices



Source: Bank of Russia (as of 29 July 2022)

The weakness of the Russian Rouble has a positive impact on the Group's operating margin, as the operating costs of the Group are mainly denominated in Russian Roubles and revenue is mainly denominated in US Dollars.

As noted above, the Russian Rouble appreciated at the latter part of the second quarter and it remained strong in July. As of 31 July 2022, the currency closed at RUB61 per US Dollar. According to the media, the extent of the Rouble appreciation is not normal. The Russian Deputy Prime Minister also commented that the Rouble was too strong and stated that the industry's equilibrium and comfort zone should be in the range of 70 to 80 Rouble per US Dollar.

To provide protection against the appreciation of the currency, for the first half of 2022, the Group has hedged about 10% of the Group's expected Rouble expenditure using zero-cost collars with puts' strike varying in the low-70s and calls' strike in the high-70s. Additionally, another 10% of the Group's expected Rouble expenditure for the period from February 2022 to January 2023 inclusive were hedged using zero-cost collars with puts' strike in the mid-70s and calls' strike in the mid-90s. The Group may consider entering into further foreign exchange hedging contracts if deemed appropriate. It should be noted that the hedging is not speculative in nature and is for risk management purposes. The hedging that IRC has entered into serve as a counter-measure against the strengthening of Rouble.

OPERATIONS

K&S (100% owned)

The K&S mine is located in the Jewish Autonomous Region (EAO) of the Russian Far East. The operation is 4 kilometres from the town of Izvestkovaya, through which the Trans-Siberian Railway passes. It is also on a federal highway 130 kilometres away from the regional capital Birobidzhan and 300 kilometres from Khabarovsk, the principal city of the Russian Far East.

K&S – Sales, Production and Sutara Development

In the second quarter of 2022, benefitting from the improvement in the railway congestion, K&S's sales volume increased by 20.4% quarter over quarter and delivered 697,610 tonnes of iron ore concentrate to its customers. Nevertheless, the Russian cross-border railway congestion issue remained a major bottleneck for K&S in the second quarter, curtailing its product transportation to Chinese customers by rail. To mitigate the impact of logistical challenge at railway border crossings, K&S continued to sell products to Chinese customers via sea and increased sales to Russian local market.

During the second quarter, K&S's processing plant ran smoothly and took advantage of the improvement in railway logistics to produce 665,773 tonnes of 65% iron ore concentrate, an increase of 12.3% over the previous quarter.

Despite the aforesaid challenges, K&S managed to improve its production capacity rate to 84.6% in the second quarter (Q1 2022: 76.2%).

Key mining data of K&S for Q2 2022

| K&S | Q2 2022 | Q1 2022 | Changes |
|--|------------------|-----------|---------|
| Mining (tonnes) | 1,459,600 | 2,387,100 | (38.9%) |
| Drilling (metre) | 110,244 | 129,467 | (14.8%) |
| Blasting (cubic metre) | 3,257,200 | 3,505,050 | (7.1%) |
| Rock mass moved (cubic metre) | 3,876,900 | 4,288,600 | (9.6%) |
| Ore fed to the primary processing plant (tonnes) | 2,192,000 | 1,984,900 | 10.4% |
| Pre-concentrate produced (tonnes) | 1,538,985 | 1,380,300 | 11.5% |

The slow down of mining activities mainly due to the fact that storage was full and there was enough stockpile to feed in processing plant.

K&S – Sutara Development

K&S comprises of two main pits, Kimkan and Sutara. The Kimkan operation comprises two key ore zones – Central and West. Open pit mining at the Kimkan deposit is currently carried out at both zones. Mining works were originally performed only at the Kimkan Central pit. As the development of the Kimkan Central pit advances, K&S has started to mine at the Kimkan West pit, which has lower grades of iron ore magnetic properties than Kimkan Central. As a result, beneficiation properties of the ore blend fed to the processing plant have resulted in a lower yield of commercial concentrate from the ore than designed. This is currently affecting K&S's ability to increase production capacity. The production capacity issues are expected to improve when the Sutara pit becomes operational. The Company expects the Sutara pit will be the long-term solution as the geological information confirms that the ore at Sutara has higher grades of iron magnetic properties. K&S is actively preparing the Sutara deposit for operation with the aim of processing ore from Sutara by the second half of 2023.

COVID-19

K&S has set up an emergency response office to prevent the spread of COVID-19 and has taken the necessary organisational and administrative measures to prevent the spread of COVID-19. A contingency plan for K&S, including quarantine arrangement, medical screening, travel restriction and reduction in face-to-face interaction, is in place. While the production at K&S continues uninterrupted, employees from the head office and administrative staff are encouraged to work from home.

Employees are tested for COVID-19 on a regular basis. Employees at K&S who are tested positive will be quarantined or hospitalised, depending on the severity of the condition, and will receive appropriate medical treatment. Employees are also encouraged to be vaccinated.

To date, there has been no material impact on IRC's operations due to COVID-19. The Group has taken the necessary measures to support the prevention of COVID-19 at its operations and will continue to monitor closely the situation.

Update of Estimated Unit Cash Cost

Cost control is always an important element in improving profitability, and IRC will continue to apply stringent cost control measures.

Inflation is a key concern among Russian businesses. Russian inflation rate has increased dramatically to double digits since the end of Q1 2022. The average inflation rate in Q2 2022 was 16.9%, up 5.4% from the previous quarter. Inflation is worsening largely as a consequence of geopolitical issues and rising energy prices. Inflation has a negative impact on K&S's operational costs, which include but are not limited to labour costs, mining contractor costs and logistic costs in Russia. In Russia, the average inflation rate for the first half of 2022 was 14.2%, nearly doubled the rate for the corresponding period last year.

Apart from inflation, as K&S is making more seaborne sales, the transportation costs also increase accordingly. Besides, due to the recent increase in the stripping ratio (the ratio of waste removed to ore mined), mineral extraction tax and hauling distances, the production cash costs are likely to increase.

The relevant cash cost information for the first half of 2022 will be analysed and disclosed in the 2022 interim results announcement.

Impact of US Sanctions Against Russia

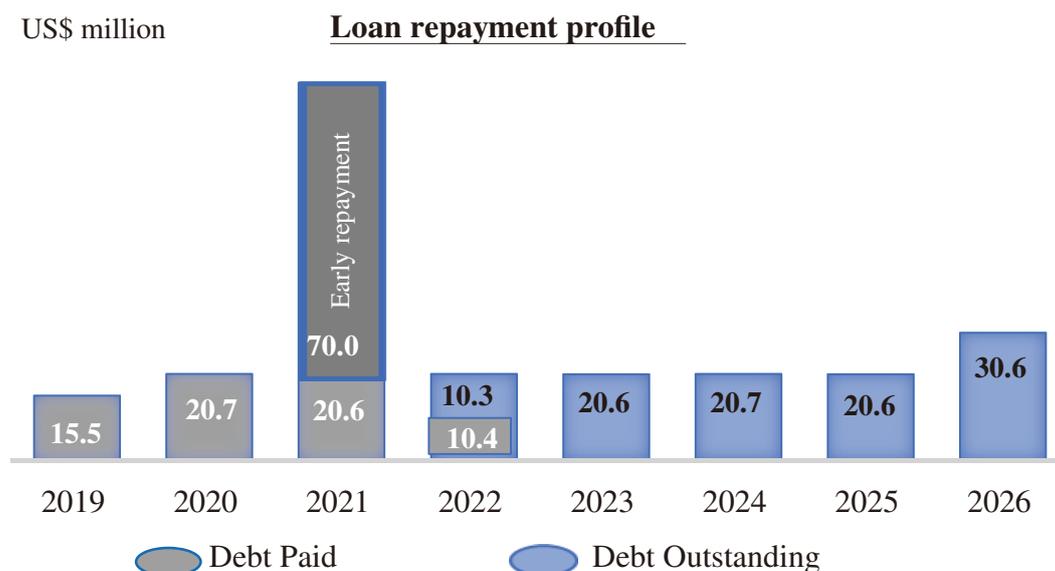
IRC is listed on the Hong Kong Stock Exchange with operational mines in Russian Far East. Most of the Group’s suppliers and customers are based in China and Russia. The Company continues to review and consider the impact, if any, of the UK, EU and US sanctions. As of now and so far as the Board is aware, based on its current assessment and the information currently available, the sanctions have no material direct impact on the Group or its operations. Although the Group’s operations and activities in Russia and elsewhere are currently continuing as usual, as the geopolitical situation continues to develop, there is a risk of supply chain disruptions affecting K&S’s operation, the purchase of mining fleet and the development of the Sutara pit. The Company will continue to closely monitor sanctions developments and will, if necessary, make a further announcement.

CORPORATE AND INDUSTRY UPDATE

Group’s Cashflow Position and Loan Facility

During the first half of the year, Gazprombank assigned its rights under two facility agreements for a loan in aggregate of US\$240 million (the “**Gazprombank Facility**”) to MIC invest Limited Liability Company (“**MIC**”), a company wholly-controlled by Ms Marina Alexeevna Kolesnikova. So far as the Company is aware, the assignments have not resulted in any change to the terms and conditions of the documentation for the Gazprombank Facility that the Group previously entered into.

As of 30 June 2022, after repaying a total loan principal and interest of US\$7 million in the second quarter, the Group had an unaudited cash and deposits balance of US\$77 million. The total debt due to MIC was US\$103 million as of 30 June 2022. The loan repayment profile is as follows:



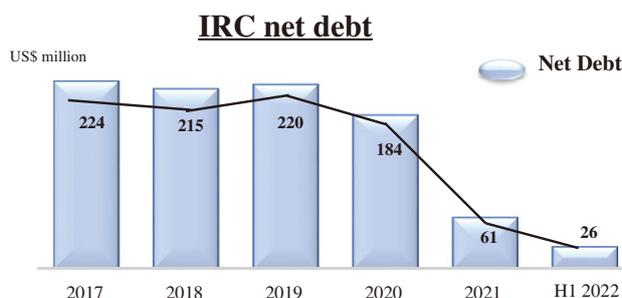
Resource: IRC Limited (as of 29 July 2022)

Despite the increase in cash balance, a cautious approach will be taken when managing the liquidity of the Group in light of the challenging external operating environment.

The interest rate of the loan facility is determined based on London Interbank Offered Rate (“LIBOR”). The rising global inflation is pushing interest rate into a more aggressive position. Since the beginning of 2022, the three-month LIBOR has been steadily rising with an average interest rate of 1.02% in the first half of 2022. Despite the rising interest rate, IRC had repaid US\$91 million of the loan in 2021, including early repayments of US\$70 million, and another US\$10 million in the first half of 2022. The net debt of the Group has been substantially reduced to US\$26 million, putting it in a better position to withstand the volatile interest rates. In addition, the loan is no longer guaranteed by Petropavlovsk PLC, saving the Group from making guarantee fee payments. As a result, the Group’s financing costs have been reduced.



Source: Bloomberg (as of 29 July 2022)



Source: IRC Limited (as of 29 July 2022)

Update on Administrative Offence Against K&S

Reference is made to the announcements made by the Company dated 3 June 2021, 23 June 2021, 13 July 2021, 19 April 2022 and 1 June 2022. As previously announced, construction of K&S was carried out based on the original project design, which received the necessary approvals of the Russian authorities before the construction works began. However, for various reasons, including improvement of technology, production efficiency, cost saving considerations and correction of the construction deficiencies of the main contractor, some equipment and machinery were replaced and/or added. As a result, some of the actual production facilities deviated from the approved project design. The Company believes that this is not an uncommon occurrence when a relatively complex production facility is put into operation. Thus, the design documentation should have been updated and submitted to the Russian State authorities for approval.

While K&S was in the process of updating the design documents and preparing the application for approvals, Russian Federal Service for Environmental, Technological, and Nuclear Supervision (“RTN”) made an inspection of K&S during which it determined the deviations from the approved design as non-compliant. RTN requested K&S to resolve the matter by 31 December 2021. While the Group has tried to resolve the matter as quickly as practicable, due to the COVID-19 pandemic and the fact that it is an extensive process, the required works were not completed by the due date. In early December 2021, K&S requested RTN to extend the deadline but the request was not accepted.

Given that the matter was not resolved by the deadline, in February 2022, RTN conducted an unscheduled inspection of K&S. Two administrative offence proceedings were issued to K&S in late March 2022, being:

- the K&S project is operating without the proper operating permit. The operating permit cannot be obtained without completion of the above-mentioned design documents update, which K&S is working on. RTN imposed an administrative penalty on K&S of RUB500,000 (equivalent to approximately US\$6,000).
- K&S failed to comply with the legal orders issued by RTN on time. RTN brought this offence at the local court.

On 31 May 2022, it was brought to the attention of the Board that the court dismissed the above proceeding on 23 May 2022, on the basis that the proceeding was commenced after the prescribed limitation period for bringing the proceeding at the court had expired. K&S also paid the above-mentioned administrative penalty of RUB500,000 (equivalent to approximately US\$6,000). K&S has been working closely with local and federal authorities to resolve the matter as soon as practicable and, in the intervening period, K&S will continue to operate to the highest possible standard as usual.

Amur/Heilongjiang River Bridge

The project to build a railway bridge across the Amur River border between Russia and China was first launched by IRC in 2006. The project was sold to Russian and Chinese development funds in November 2014. In early June 2016, the regional government of the Jewish Autonomous Region announced that the Russian part of the Amur River Bridge would commence construction.

According to the reports in the media, the construction of the bridge has been completed, and the Russian Siberian Railway is now connected with China's Northeast railway network. The bridge is expected to be put into use by the end of 2022. The railway bridge is expected to enhance the region's economic development by providing a more efficient transportation alternative on top of the existing ferries and railway routes.

The K&S mine is situated approximately 240 kilometres from the bridge site and IRC's nearest customer within China is approximately 180 kilometres away from the bridge. Thus, IRC as well as its customers will benefit from the project with the reduced transportation distance and shipment time. The railway bridge can also alleviate any railway congestion of the region. Shipping time to customers in China will be reduced from 3-5 days to 1-3 days.

Changes to the Board of Directors and Remuneration of Executive Director and Chief Executive Officer

As previously announced, Mr Nikolai Levitskii has been appointed as the Chairman of IRC and Mr Denis Cherednichenko has been appointed as an executive director and the Chief Executive Officer of the Company. Ms Natalia Ozhegina, Mr Alexey Romanenko and Mr Vitaly Sheremet have been appointed as independent non-executive directors of the Company.

Following the aforementioned appointments, the current Board is constituted of Mr Nikolai Levitskii as the Chairman and non-executive director, Mr Denis Cherednichenko as executive director, and Mr Dmitry Dobryak, Ms Natalia Ozhegina, Mr Alexey Romanenko and Mr Vitaly Sheremet as independent non-executive directors.

The Board further discloses that, following the announcement dated 1 July 2022, the Remuneration Committee has concluded its discussions with Mr Denis Cherednichenko in relation to his remuneration. Under the service contract of Mr Cherednichenko, he is entitled to receive a remuneration of US\$843,247 (approximately HK\$6,619,000) per annum, and may be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and his performance.

Update on Proposed Capital Reduction

Reference is made to the Company's announcement dated 16 February 2022 disclosing that the Company intended to proceed with the proposed capital reduction in the first half of 2022. The Company did not proceed with the proposed capital reduction in the first half of 2022 as the newly constituted Board, as set out above, needed to evaluate the proposed capital reduction.

Given the challenging operating environment as noted in this trading update, the proposed capital reduction is currently put on hold. The Company will make a further announcement regarding the proposed capital reduction as and when necessary.

Change of Address of Hong Kong Share Registrar and Transfer Office

With effect from 15 August 2022, the Hong Kong Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the “**Share Registrar**”), will change its address from Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to:

**17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong**

All telephone and facsimile numbers of the Share Registrar will remain unchanged.

* *Figures in this announcement may not add up due to rounding. All volume tonnage used in this announcement, unless specify, refer to wet metric tonnes. All dollars refer to United States Dollar unless otherwise stated.*

Production volumes disclosed in this announcement are determined net of the excessive moisture content within the products, as shipped to the customers. Production rate of K&S is calculated based on an annual production capacity of c.3,155 thousand wet metric tonnes.

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

Hong Kong, People’s Republic of China
Friday, 5 August 2022

As at the date of this announcement, the Chairman and Non-Executive Director is Mr Nikolai Levitskii. The Executive Director is Mr Denis Cherednichenko. 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:

Kent Lo

Manager – Communications & Investor Relations
Telephone: +852 2772 0007
Mobile: +852 9688 8293
Email: kl@ircgroup.com.hk