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

PROFIT WARNING

Tuesday, 23 August 2022: 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).

Reference is made to the announcement made by the Company dated 5 August 2022 (the “**Announcement**”) in which the board of directors of the Company (the “**Board**”) informed the shareholders of the Company (the “**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 2022 and the information available at that time, the Group expected 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).

As disclosed in the Announcement, the Board expected that the Group may be required to recognise a provision for asset impairment loss for the K&S mine as at 30 June 2022. The Board wishes to advise its Shareholders and potential investors that it has substantially completed the assessment of asset impairment of the K&S mine. Based on the assessment and other information currently available to the Board, the Group is expected to record a partial impairment provision of approximately US\$115 million. The need to make the asset impairment provision is mainly 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), changes in discount rate, inflation rate and the forecast foreign exchange rates, as well as adjustments to the K&S’s 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.

Taking into account the impairment provision of the K&S mine of approximately US\$115 million as abovementioned, the Group expects to record a loss attributable to the owners of the Company of between approximately US\$75 million to US\$85 million (corresponding period in 2021: profit of US\$98.3 million) for the six months ended 30 June 2022.

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. 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 for further details, which is expected to be published on 30 August 2022.

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
Tuesday, 23 August 2022

As at the date of this announcement, the Executive Director of the Company 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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