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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**

**Wednesday, 20 March 2024:** 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 year ended 31 December 2023 (the “**Current Period**”) and the information currently available to the management of the Group, 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, as compared with the profit attributable to the owners of the Company, excluding assets impairment, of US\$15 million recorded for the year ended 31 December 2022 (the “**Corresponding Prior Period**”). 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 decrease in the iron ore market 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 5% decrease as compared to the average of US\$139 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 impairment loss for the K&S mine as at 31 December 2023 of approximately US\$164 million, as compared with the provision of impairment loss of US\$103 million made as at 31 December 2022. The need to make the impairment provision is mainly due to the cost increase in K&S’s production and the movements in iron ore price. 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\$164 million as abovementioned, the Group expects to record a loss attributable to the owners of the Company in the range of approximately US\$154 million to US\$159 million for the Current Period, as compared with the loss attributable to the owners of the Company of US\$88 million for the Corresponding Prior Period.

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 by the auditor of the Company thus may be subject to further adjustments. The Group's 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 annual results announcement of the Company for the Current Period for further details, which is expected to be published on 27 March 2024, 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, 20 March 2024

*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**

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