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铁货 IRC

IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

K&S – OPERATING AT 95% CAPACITY GOOD IRON ORE PRICE ENVIRONMENT

Thursday, 3 October 2019: IRC Limited ("**IRC**" or the "**Company**", together with its subsidiaries, the "**Group**"; Stock Code 1029) is pleased to announce that the recent torrential rain in the Amur region has finally passed, allowing K&S to resume 95% production capacity.

K&S production rate at 95% capacity

The project has been increasing its production volume for a while and it has achieved a production capacity of about 95%* in the month of September 2019, a testimony that the ramping up programme has worked well. However, as previously announced, K&S's production in August was affected by exceptionally heavy rain. This unusual weather condition was severe enough for the local government to declare a state of emergency.

Happily, the rainstorms have finally passed and K&S's operations are now back to normal with the site team now focusing on fine-tuning the operating process and clearing the remaining production bottlenecks. The team is also setting up the use of the Drying Unit in preparation for winter production.

Good iron ore price environment

While K&S continues to increase its production volume, it is encouraging to note that the iron ore market price is showing signs of resilience. In August, as the industry peers of IRC in Brazil and Australia increased their outputs and the global demand growth slowed, the 65% Fe Platts price index fell from US$136 per tonne to stabilise at US$89 per tonne and staged a revival in September, despite the uncertainties arising from the global trade disputes. It is currently hovering at about US$100 per tonne level, somewhat higher than earlier market forecasts.

Commenting on the news above, Yury Makarov, Chief Executive Officer of IRC said: *"I am pleased to note that the weather has improved and is no longer affecting our production. The ramping up programme of K&S has taken another step forward and the plant is now operating at a higher capacity. While resolving the remaining production bottlenecks, the site team is also readying the Drying Unit for use in winter. The iron ore price was subject to some corrections in recent months, but it appears that it has now stabilised at a healthy level. It is hoped that in the long run, the development of the Belt and Road projects could create strong demand for iron ore, and thus provide support for the iron ore price."*

* *based on annual production capacity of about 3.2 million wet metric tonne*

By Order of the Board
IRC Limited
Yury Makarov
Chief Executive Officer

Hong Kong, People's Republic of China
Thursday, 3 October 2019

As at the date of this announcement, the Executive Directors of the Company are Mr Yury Makarov and Mr Danila Kotlyarov. The Non-Executive Directors are Mr Peter Hambro and Mr Chi Kin Cheng. The Independent Non-Executive Directors are Mr Daniel Bradshaw, Mr Chuang-Fei Li, Mr Simon Murray, CBE, Chevalier de la Légion d'Honneur, Mr Jonathan Martin Smith and Mr Raymond Kar Tung Woo.

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