

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in IRC Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON
A NON-FULLY UNDERWRITTEN BASIS;
(2) CONNECTED TRANSACTION IN RELATION TO
THE UNDERWRITING AGREEMENT;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing agent to the Rights Issue



First Shanghai Securities Limited

**Underwriter to the Rights Issue
Axioma Capital FZE LLC**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

AMASSE CAPITAL
寶 積 資 本
Amasse Capital Limited

Capitalised terms used in this cover page shall bear the same meaning as those defined in the section headed "Definitions" in this circular unless the context requires otherwise.

A letter from the Board is set out on pages 13 to 40 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-33 of this circular.

A notice convening the EGM of IRC Limited to be held at Hong Thai Expo and Business Centre, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 16 December 2025, at 2:30 p.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herein. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ircgroup.com.hk).

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Registrar, Union Registrars Limited at, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time for holding of the EGM (i.e. not later than 2:30 p.m. on Sunday, 14 December 2025) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof.

References to time and dates in this circular are to Hong Kong time and dates.

Kindly be informed that there will be NO food and beverage service and NO distribution of gifts at the EGM.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company served prior to 4:00 p.m. on Monday, 2 February 2026 to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this circular. If the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

It should also be noted that the Rights Issue is only underwritten on a non-fully underwritten basis. Pursuant to the Company's constitutional documents, there are no requirements for minimum levels of subscription in respect of the Rights Issue.

25 November 2025

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“2024 Rights Issue”	the rights issue of the Company on the basis of one (1) rights share for every two (2) existing Shares held on the record date on a non-underwritten basis conducted by the Company and the completion of which took place on 13 December 2024
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 24 October 2025 in relation to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Axioma Capital” or the “Underwriter”	Axioma Capital FZE LLC, a company incorporated in United Arab Emirates with limited liability, a controlling Shareholder and wholly, ultimately and beneficially owned by Mr. Levitskii
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”	IRC Limited (鐵江現貨有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1029)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Tuesday, 16 December 2025 to consider and, if thought fit, approve, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
“Extreme Condition”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Dmitry Vsevolodovich Dobryak, Ms. Natalia Klimentievna Ozhegina, Mr. Vitaly Georgievich Sheremet and Mr. Alexey Mihailovich Romanenko, which has been established in accordance with the Listing Rules to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor
“Independent Financial Adviser”	Amasse Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company, for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the Underwriting Agreement, and as to the voting action therefor
“Independent Shareholder(s)”	the Shareholders other than (i) Axioma Capital, Mr. Levitskii and parties acting in concert with any of them; and (ii) all other Shareholders who are involved in or interested in (other than by being Shareholder) or have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking provided by Axioma Capital under the Underwriting Agreement as set out in the paragraph headed “The Irrevocable Undertaking” in the letter from the Board contained in this circular
“Last Trading Day”	Friday, 24 October 2025, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	Thursday, 20 November 2025, being latest practicable date prior to the publication of this circular

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Thursday, 15 January 2026 (or such other time and date as the Company may determine), being the latest time and date for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 2 February 2026, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Levitskii”	Mr. Nikolai Valentinovich Levitskii, a non-executive Director, the chairman of the Board, a controlling Shareholder, and the 100% beneficial owner of Axioma Capital
“Net Gain”	any premium over, the aggregate amount of (i) the Subscription Price for Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), under the Compensatory Arrangements
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions

DEFINITIONS

“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their provisional entitlements under the Rights Issue
“Placing” or “Compensatory Arrangements”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent, who and whose ultimate beneficial owners shall be Independent Third Party(ies), to the independent placee(s) after the Latest Time of Acceptance on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	First Shanghai Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as the placing agent pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 24 October 2025 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Wednesday, 31 December 2025, or such other date as the Company may determine, for the despatch of the Prospectus Documents

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 30 December 2025, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, being the Company’s share registrar and transfer office
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price
“Rights Share(s)”	up to 638,974,294 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company with no nominal value
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.51 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Undertaken Shares”	415,050,642 Rights Shares, being the maximum number of Rights Shares for which Axioma Capital has undertaken to subscribe pursuant to the Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 24 October 2025 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

For the purpose of this circular, unless otherwise specified, the conversion of US\$ into HK\$ is based on the approximate exchange rate from US\$1.0 to HK\$7.8. 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.

If there is any inconsistency in this circular between the Chinese and English versions, the English version shall prevail.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. All times and dates stated in this circular refer to Hong Kong local times and dates. The expected timetable is indicative only and may be varied. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

Event	Date and time
Date of this circular	Tuesday, 25 November 2025
Latest time for lodging transfer of Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Tuesday, 9 December 2025
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Wednesday, 10 December 2025 to Tuesday, 16 December 2025
Latest time for lodging proxy forms for the EGM	2:30 p.m. on Sunday, 14 December 2025
Record date for attendance and voting at the EGM	Tuesday, 16 December 2025
Expected date and time of the EGM	2:30 p.m. on Tuesday, 16 December 2025
Announcement of the poll results of the EGM	Tuesday, 16 December 2025
Register of members of the Company re-opens	Wednesday, 17 December 2025
Last day of dealings in the Shares on cum-rights basis relating to the Rights Issue	Wednesday, 17 December 2025
First day of dealings in the Shares on ex-rights basis relating to the Rights Issue	Thursday, 18 December 2025
Latest time for the Shareholders to lodge transfer of the Shares in order to qualify for the Rights Issue	4:00 p.m. on Friday, 19 December 2025
Closure of register of members of the Company for determining entitlements under the Rights Issue (both days inclusive)	Monday, 22 December 2025 to Tuesday, 30 December 2025
Record date for the Rights Issue	Tuesday, 30 December 2025
Register of members of the Company re-opens	Wednesday, 31 December 2025

EXPECTED TIMETABLE

Despatch of the Prospectus Documents	Wednesday, 31 December 2025
First day of dealings in nil-paid Rights Shares	Monday, 5 January 2026
Latest time for splitting of PALs	4:00 p.m. on Wednesday, 7 January 2026
Last day of dealings in nil-paid Rights Shares	Monday, 12 January 2026
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Thursday, 15 January 2026
Latest Time for Acceptance	4:00 p.m. on Thursday, 15 January 2026
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 22 January 2026
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Friday, 23 January 2026
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Monday, 2 February 2026
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Monday, 2 February 2026
Announcement of results of the Rights Issue	Thursday, 5 February 2026
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Friday, 6 February 2026
Refund cheques, if any, to be despatched	Friday, 6 February 2026
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 9 February 2026
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders and net proceeds from sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders (if any)	Friday, 13 February 2026

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, or “Extreme Conditions”, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected Timetable” above in this circular may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - a. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
3. there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or

TERMINATION OF THE UNDERWRITING AGREEMENT

4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not *ejusdem generis* with any of the foregoing; or
6. any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, an omission which is material in the context of the Rights Issue; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriter terminates the Underwriting Agreement.

LETTER FROM THE BOARD



IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

Board of Directors:

Executive Director

Mr. Denis Vitalievich Cherednichenko

Registered office:

6H, 9 Queen's Road Central
Central, Hong Kong

Non-executive Director

Mr. Nikolai Valentinovich Levitskii, Chairman of the Board

Independent Non-executive Directors

Mr. Dmitry Vsevolodovich Dobryak

Ms. Natalia Klimentievna Ozhegina

Mr. Vitaly Georgievich Sheremet

Mr. Alexey Mihailovich Romanenko

Company Secretary:

Mr. Johnny Shiu Cheong Yuen

25 November 2025

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON
A NON-FULLY UNDERWRITTEN BASIS;
(2) CONNECTED TRANSACTION IN RELATION TO
THE UNDERWRITING AGREEMENT;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement and the Underwriting Agreement; (ii) a letter of recommendations from the Independent Board Committee in respect of the Rights Issue, the Placing Agreement and the Underwriting Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; and (iv) a notice convening the EGM.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date on a non-fully-written basis at the Subscription Price of HK\$0.51 per Rights Share. The principal terms of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.51 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,277,948,588 Shares As at the Latest Practicable Date, the Company does not hold any treasury shares and there is no repurchased Share pending cancellation.
Maximum number of Rights Shares to be issued pursuant to the Rights Issue (assuming the Rights Issue is fully subscribed)	:	638,974,294 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Maximum total number of issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	1,916,922,882 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue (before expenses)	:	No more than approximately HK\$325.9 million (equivalent to approximately US\$41.8 million)
Net proceeds from the Rights Issue	:	No more than approximately HK\$323.6 million (equivalent to approximately US\$41.5 million)
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.5065 per Rights Share (assuming no changes in the number of issued shares of the Company on or before the Record Date)

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the number of issued Shares on or before the Record Date and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 638,974,294 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents approximately 50.0% of the number of issued Shares as at the Latest Practicable Date and will represent approximately 33.3% of the total number of issued Shares of the Company as enlarged by the issue of the Rights Shares (assuming the Rights Issue is fully subscribed).

The Subscription Price

The Subscription Price of HK\$0.51 per Rights Share is payable in full upon the acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 16.39% to the closing price of HK\$0.610 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.21% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.616 per Share;
- (iii) a discount of approximately 17.21% to the average closing prices per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.616 per Share;
- (iv) a discount of approximately 12.17% to the theoretical ex-rights price of approximately HK\$0.581 per Share based on the benchmark price of HK\$0.616 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.610 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.616 per Share);
- (v) a premium of approximately 2.00% to the closing price of HK\$0.500 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (vi) a discount of approximately 61.1% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.31 (based on the unaudited consolidated equity attributable to equity holders of the Company as at 30 June 2025 of approximately US\$215,076,000 as disclosed in the interim report of the Company for the six months ended 30 June 2025 and 1,277,948,588 Shares in issue as at the Latest Practicable Date); and
- (vii) taking into account the 2024 Rights Issue, accumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 9.76%, being the discount of the theoretical diluted price of approximately HK\$0.937 per Share against the benchmarked price of approximately HK\$1.038 per Share (as defined under Rule 7.27B of the Listing Rules, being the benchmark price adopted for the 2024 Rights Issue (as adjusted as the Company conducted a 10-to-1 share consolidation in June 2025)).

The Subscription Price was determined by the Company with reference to the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the paragraph headed “Reasons for and benefits of the Rights Issue and Use of Proceeds” below in this letter from the Board.

While the Subscription Price represents a discount of approximately 61.1% to the unaudited consolidated net asset value of the Company per Share as at 30 June 2025, the Company noted that the Shares were traded at a discount to the net asset value per share of the Company ranging between 45.0% and 61.1% since the last quarter of 2025 and up to the Last Trading Day, and such recent trading prices of the Shares reflected the market sentiment. Further considering that, the Company, being on that is primarily engaging in mining business, is by nature asset-heavy as compared to other businesses, the Company is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price, which should instead be determined with reference to the recent market outlook.

After taking into account the above, the Directors (other than the members of the Independent Board Committee whose opinion is set out in the letter from the Independent Board Committee contained in this circular after considering the advice from the Independent Financial Adviser) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date.

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In order to be registered as a member of the Company at the close of business on the Record Date, all transfer documents for Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged for registration with the Registrar by no later than 4:00 p.m. on Friday, 19 December 2025.

It is expected that the last day for dealing in Shares on a cum-rights basis is Wednesday, 17 December 2025, and the Shares will be dealt with on an ex-rights basis starting from Thursday, 18 December 2025.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only.

Qualifying Shareholders who take up their pro-rata assured entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form on the Stock Exchange as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, levies and stamp duty, if more than HK\$100, the excess will be paid pro-rata (but rounded down to the nearest cent) to the shareholdings of the relevant Non-Qualifying Shareholders held on the Record Date in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred.

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Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent under the Compensatory Arrangements together with the Unsubscribed Rights Shares.

Rights of Overseas Shareholders

Based on the register of members of the Company as of the Latest Practicable Date, there is one Shareholder with registered addresses situated in Macau holding 25,000 Shares, representing approximately 0.002% of the total issued Shares of the Company. Save as disclosed, no other Shareholder has a registered address situated outside Hong Kong.

The Company notes the requirements under Rule 13.36(2)(a) of the Listing Rules, and will continue to monitor and ascertain whether there will be any other Overseas Shareholders at the Record Date saved as disclosed above, and will make reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholder(s) present on the Record Date, if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory body(ies) or stock exchange(s). If, based on legal advice to be provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions or prohibitions under the laws of the relevant jurisdiction(s) or any requirements of the relevant regulatory body(ies) or stock exchange(s) in such jurisdiction(s), to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, such Overseas Shareholder(s), if any, will be regarded as Non-Qualifying Shareholder(s) and will not qualify for the Rights Issue. The basis of exclusion of Non-Qualifying Shareholder(s), if any, from the Rights Issue will be disclosed in the Prospectus.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (without the PAL) to the Non-Qualifying Shareholders for information purposes only.

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any such person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons are advised to consult their own professional advisers if in doubt.

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Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Basis of provisional allotments

The basis of the provisional allotments shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing a PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, on or before the Latest Time for Acceptance.

The Irrevocable Undertaking

As at the Latest Practicable Date, the Board has received from the controlling Shareholder, Axioma Capital, the Irrevocable Undertaking under the Underwriting Agreement. Mr. Levitskii, a non-executive Director, being the sole shareholder of Axioma Capital, is interested in 830,101,285 Shares (representing approximately 64.96% of all issued Shares) as at the Latest Practicable Date. Pursuant to the Irrevocable Undertaking, Axioma Capital has provided irrevocable undertakings to the Company that, provided that public float of the Shares shall not become less than 25% (or any given percentage as required by the Listing Rules which shall be held by the public), it will (i) subscribe for up to 415,050,642 Rights Shares which comprise the full amount of the provisional entitlement (rounded down to the nearest whole number) in respect of the 830,101,285 Shares beneficially held by it; (ii) not dispose of, or agree to dispose of, any of the 830,101,285 Shares owned by it as at the date of the Underwriting Agreement up to and including the Record Date; and (iii) lodge or procure the acceptance of the 415,050,642 Rights Shares which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to it under the Rights Issue, with the Registrar with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for Axioma Capital, the Company does not have any other substantial or controlling Shareholder and the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

Closure of register of members of the Company

The register of members of the Company will be closed from Monday, 22 December 2025 to Tuesday, 30 December 2025 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares (if any) will be aggregated and rounded down to the nearest whole number and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

Odd lot arrangement

No odd lot matching services will be provided.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The board lot size of the nil- paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 4,000 Shares in one board lot.

No securities of the Company in issue or the Rights Shares for which listing or permission to deal in is to be sought is or will be listed or dealt in on any other stock exchange.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully- paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders whose Shares are held

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through CCASS should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, subscribing, exercising, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment and/or waiver (where applicable) of the conditions to the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risk, on Friday, 6 February 2026. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

If the Rights Issue does not proceed, refund cheques are expected to be despatched on or before Friday, 6 February 2026 to the applicants without interest to their registered addresses by ordinary post at their own risk.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placee(s) for the benefit of relevant No Action Shareholders and Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 24 October 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to placee(s) who

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and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 2 February 2026, placee(s) for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

Details of the Placing Agreement are summarized as follows:

Date	:	24 October 2025 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing agent	:	First Shanghai Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, independent placee(s) to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares.

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The Placing Agent is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its parent company, First Shanghai Investments Limited (a company listed on the main board of the Stock Exchange (stock code: 227) ("**FSIL**") are not Shareholders and are Independent Third Parties. The Placing Agent confirms that itself and its parent company, FSIL are independent of and not acting in concert with the Underwriter, Mr. Levitskii and parties acting in concert with any of them.

Commission and expenses : The Company shall pay to the Placing Agent a non-refundable fee of HK\$15,000 within three Business Days upon execution of the Placing Agreement.

Subject to the satisfaction of the conditions of the Placing, the Company shall pay to the Placing Agent a placing commission of HK\$85,000 or 1.25% of the gross placing proceeds (i.e. the placing price multiplied by the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent), whichever is higher.

Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or the AFRC transaction levy as may be payable), and the final placing price shall be determined based on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the placement process.

Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to place(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies).

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The Placing Agent will use reasonable endeavour to, and the Company will ensure that (i) the Company will continue to comply with public float requirement under rule 8.08 of the Listing Rules upon the completion of the Rights Issue and the Placing; and (ii) that the Placing shall not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

The Underwriter, Mr. Levitskii and their respective concert parties confirmed that they will not be involved in the solicitation, identification, screening and selection of Placees for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

- | | | |
|--|----------|--|
| <p>Ranking of the placed
Unsubscribed
Rights Shares and
NQS Unsold Rights
Shares</p> | <p>:</p> | <p>The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank <i>pari passu</i> in all respects among themselves and with the existing Shares then in issue and be free from all encumbrances and with all rights attaching thereto on and after the date of their allotment.</p> |
| <p>Conditions of the
Placing Agreement</p> | <p>:</p> | <p>The completion of the Placing is conditional upon the following conditions being fulfilled:</p> <ul style="list-style-type: none"> (i) the Company's warranties given under the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing; and (ii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by no later than the Latest Time for Termination (or such other time or date as may be agreed between the Placing Agent and the Company) and such listing permission not subsequently revoked prior to the date of completion of the Placing. |

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In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and neither of the parties to the Placing Agreement shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

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- (ii) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise (except for any temporary suspension of trading pending the publication of any information relating to the Rights Issue, the Placing Agreement and the Underwriting Agreement) and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (v) any breach of any of the representations and warranties given by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

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- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiations between the Placing Agent and the Company with reference to the market comparable, the size of the Rights Issue, and the current market conditions. The Directors (other than members of the Independent Board Committee whose opinion is set out in the letter from the Independent Board Committee contained in this circular after considering the advice from the Independent Financial Adviser) consider the terms of the Placing Agreement (including the commission payable) are on normal commercial terms and are fair and reasonable.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; and (ii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Directors (other than members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Adviser) consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the minority Shareholders.

THE UNDERWRITING AGREEMENT

The Rights Issue is non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below:

Date	:	24 October 2025 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Underwriter	:	Axioma Capital, a company duly incorporated under the laws of United Arab Emirates which is principally engaged in investment holding. It is not in the ordinary course of business of the Underwriter to underwrite securities.

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As at the Latest Practicable Date, Axioma Capital is beneficially interested in 830,101,285 Shares, representing approximately 64.96% of the total number of issued Shares of the Company and is a controlling Shareholder. Axioma Capital is solely and beneficially owned by Mr. Levitskii, a non-executive Director. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules.

Number of Rights Shares to be underwritten by the Underwriter : Axioma Capital has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Axioma Capital, other non-public shareholder(s) (if any) and the Undertaken Shares, will be up to and not exceeding 75% (or any given percentage as allowed under the Listing Rules to be held by non-public Shareholders) of the total enlarged number of issued Shares at completion of the Rights Issue.

For the avoidance of doubt, in the event that the number of Shares already held by Axioma Capital together with the Undertaken Shares and Shares held by other non-public Shareholder(s) (if any) reached 75% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Axioma Capital under the Underwriting Agreement.

Underwriting Commission : The Underwriter will not receive any underwriting commission.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the identity of the Underwriter as the controlling Shareholder of the Group, the size of the Rights Issue and the current market condition. The Directors (other than the members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Advisers) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

LETTER FROM THE BOARD

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of ordinary resolutions to approve the Underwriting Agreement, the Placing Agreement, the Rights Issue and the transactions contemplated thereunder (the approval by more than 50% of the Independent Shareholders at the EGM by way of poll);
- (ii) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the submission to the Stock Exchange and the registration with the Registrar of Companies in Hong Kong respectively the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the Prospectus Documents having been made available to the Qualifying Shareholders on the Prospectus Posting Date, and the Prospectus having been made available to the Non-Qualifying Shareholders, if any, for information purpose on or within two Business Days after the Prospectus Posting Date;
- (v) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events (details of which have been set out in the paragraph headed “The Placing Agreement — Termination” in this letter from the Board); and
- (vii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking.

None of the above conditions precedent is capable of being waived.

If any of the conditions precedent are not satisfied by the Latest Time for Termination or, where appropriate, such other time as specifically specified in the above conditions precedent, the Underwriting Agreement shall terminate automatically and no party will have any claim against any other party (save for any antecedent breaches and claims thereof).

As at the Latest Practicable Date, none of the above conditions precedent have been fulfilled.

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Termination of the Underwriting Agreement

The Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - a. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
3. there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or

LETTER FROM THE BOARD

4. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not *ejusdem generis* with any of the foregoing; or
6. any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, an omission which is material in the context of the Rights Issue; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriter terminates the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms. Please refer to the paragraph headed "Conditions of the Underwriting Agreement" in this letter from the Board for further details.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY

During the past 12 months immediately preceding the Latest Practicable Date, the Company had on 22 October 2024 announced, and on 13 December 2024 completed the 2024 Rights Issue. During the 2024 Rights Issue, net proceeds in the amount of approximately US\$46.3 million had been raised. Set out below is (i) the utilised net proceeds up to 30 September 2025 in accordance with their initial intended use; (ii) the net proceeds remaining unutilised as at 30 September 2025; and (iii) the expected usage and timeline of the remaining net proceeds:

	Utilised net proceeds up to the 30 September 2025 <i>(US\$ million)</i>	Unutilised net proceeds as at 30 September 2025 <i>(US\$ million)</i>	Expected usage and timeline
(i) repayment of the principal and interest of the borrowings of the Group	20.0	4.1	Fully utilised as intended by December 2025
(ii) funding of K&S	17.6	–	Fully utilised
(iii) replenishment of general working capital arising from the normal operation of the Group	4.6	–	Fully utilised

Save for the 2024 Rights Issue, the Company did not conduct any other fund-raising activities during the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

Assuming that there is no change in the number of issued Shares on or before the record Date and all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$325.9 million (equivalent to approximately US\$41.8 million). The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$2.3 million (equivalent to approximately US\$0.3 million)) are estimated to be approximately HK\$323.6 million (equivalent to approximately US\$41.5 million) (assuming no changes in the number of Shares in issue on or before the Record Date). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.5065.

LETTER FROM THE BOARD

As at 30 June 2025, the Group's unaudited cash, deposits and bank balances amounted to US\$29.9 million, while its current liabilities stood at US\$53.3 million. The Group has a US\$240 million loan facility drew down in 2019, and as at the Latest Practicable Date, the the Group has repaid US\$211.9 million and the outstanding loan principal due to MIC Invest Limited Liability Company ("**MIC**") amounts to US\$28.1 million (the "**MIC Loan Facility**"), of which US\$14.4 million and US\$13.7 million will fall due on 20 December 2025 (the "**2025 Repayment**") and in 2026 (the "**2026 Repayment**") respectively. The Group's weighted average interest rate in the first half of 2025 was 8.33%.

The interest rate of the MIC Loan Facility was determined based on Secured Overnight Financing Rate ("**SOFR 90**"). Interests for the first loan tranche of US\$160 million (of which US\$28.1 million is outstanding as of the Latest Practicable Date) and second loan tranche of US\$80 million (which has been fully repaid as of the Latest Practicable Date) would be determined based on SOFR 90 + 6.2% per annum and SOFR 90 + 8.2% per annum, respectively.

For the year ended 31 December 2024 and the six months ended 30 June 2025, the Group paid interest in respect of the MIC Loan Facility of approximately US\$7.2 million and US\$1.9 million, respectively.

As disclosed in the Company's 2025 interim report, the Group recorded an adjusted underlying loss of US\$3.0 million for the first half of the year despite a significant 26.9% year-on-year increase in sales volume. While IRC continues to maintain strong production and sales volumes into the second half of 2025, its financial performance is being challenged by adverse market conditions:

- Declining iron ore prices: the Group's revenue is almost entirely derived from iron ore sales, making it highly sensitive to price fluctuations. Although the current Platts 65% iron ore index price of approximately US\$116 per tonne is higher than the average iron ore index price of US\$112.5 for the first half of 2025, it remains approximately 6% and 12% lower than the full-year averages for 2024 and 2023, respectively. This sustained softening has had a decisive impact on financial results; and
- Currency appreciation pressure: with the majority of its costs denominated in Russian Roubles, the Group's operating expenses are heavily influenced by the currency's strength. The Rouble has appreciated approximately 7% against the US Dollar since the first half of 2025, increasing inflationary pressure on costs and eroding operating margins.

As further detailed in the paragraph headed "Fund Raising Exercise of the Company" in this letter from the Board, the Company had conducted the 2024 Rights Issue, and, as at 30 September 2025, fully utilised a portion of such proceeds to fund the operations of K&S, a magnetite development project in the Company's portfolio consisting of the Kimkan deposit and the Sutara deposit for the upgrade and acquisition of mining equipment, including bulldozer, diesel shovel, and other mining machinery and equipment.

LETTER FROM THE BOARD

As disclosed in the Group's interim report for the six-month ended 30 June 2025, the successful mining operation at the Sutara deposit is a major revenue driver of the Group, and the Group is dedicated to up-keep and improve the performance of the Sutara deposit. As at the Latest Practicable Date, the ore at Sutara is being transported 18 kilometres to the K&S processing plant, in order to further reduce the hauling costs, the Group is currently in the process of setting up a crushing and screening plant at Sutara. The Group is also intending to, for the purpose as set out above, continue to develop its mining fleet by further acquisition and/or leasing of mining equipment to further reduce the costs of production, a significant portion of which represents mining fees charged by third-party mining contractors. This shall also effectively lower the Group's reliance on the third-party mining contractors, which sometimes experience mining capacity issues beyond the Group's purview and may cause the slowing down of ore mining.

Considering the current market conditions, the Group's reducing cash reserves, and the high financial costs it incurs, the Directors believe that the Rights Issue could serve as a viable solution to secure sufficient funds for repaying the Group's borrowings and payables, which will not only allow the Group to meet the financial obligations when they fall due but will also improve the Group's financial position and enhance its profitability by reducing the burden of interest expenses.

Based on the above, the Company intends to apply the net proceeds from the Rights Issue, assuming that the Rights Shares are subscribed in full, of approximately HK\$323.6 million (approximately US\$41.5 million) in the following manner:

- (i) as to approximately HK\$219.2 million (approximately US\$28.1 million), representing 68% of the net proceeds for the full repayment of the principal of the borrowings due to MIC. Of this amount, HK\$112.3 million (approximately US\$14.4 million) will be allocated to repay the 2025 Repayment in December 2025; and the remaining HK\$106.9 million (approximately US\$13.7 million) will be used to repay the 2026 Repayment. Such proceeds are expected to be fully utilised by December 2026;
- (ii) as to approximately HK\$71.7 million (approximately US\$9.2 million), representing 22% of the net proceeds to fund the mining operation of K&S, a magnetite development project in the Company's portfolio consisting of the Kimkan deposit and the Sutara deposit. Such proceeds are expected to be fully utilised within 12 months from the completion of the Rights Issue; and
- (iii) as to approximately HK\$32.7 million (approximately US\$4.2 million), representing 10% of the net proceeds, for the replenishment of general working capital. Such proceeds are expected to be fully utilised within 12 months from the completion of the Rights Issue.

LETTER FROM THE BOARD

In the event that the Rights Issue is not subscribed in full, the net proceeds will first be applied to fully repay the principal of the borrowings due to MIC as mentioned in (i) above. After the full repayment of the 2025 Repayment and the 2026 Repayment, up to HK\$32.7 million (approximately US\$4.2 million) will first be applied for the replenishment of general working capital, and the remaining balance of the net proceeds (if any) will be used to fund the mining operation of K&S.

The Board has considered other fund-raising alternatives before resolving to the proposed Rights Issue, including but not limited to debt financing such as bank borrowings, equity financing such as placing, subscription of new Shares or open offer. In respect of debt financing, taking into account the Group's background with its principal place of business in Russia, dealings with banks and financial institution has been increasingly challenging and time consuming given the geopolitical tension. In respect of equity financing such as placing and subscription of new Shares, taking into account that (i) it is relatively smaller in scale as compared to fund that can be raised through rights issue; and (ii) it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company, it was not considered by the Board to be the most suitable fund-raising methods for the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

Having considered the aforesaid factors, the Directors are of the view that the proposed Rights Issue will enable the Group to improve its liquidity position to support its business operations and development, without incurring additional debt financing costs and efforts in dealing with banks. Furthermore, the Rights Issue will offer Qualifying Shareholders equal opportunities to subscribe for their respective provisional entitlement to the Rights Shares and therefore avoiding dilution of their interests in the Company. The Directors are therefore of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

However, it should be noted that Qualifying Shareholders who do not take up their provisional entitlement to the Rights Shares, and Non-Qualifying Shareholder(s), if any, will have their shareholdings in the Company diluted.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 1,277,948,588 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to the completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the date Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue assuming (a) full acceptance of the Rights Shares by all Qualifying Shareholders; (b) nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed to the independent placees under the Compensatory Arrangements; and (c) assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed under the Compensatory Arrangements and, to the extent underwritten by the Underwriter under the Underwriting Agreement, are taken up by the Underwriter:

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders)		Immediately upon completion of the Rights Issue (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed to the Placees under the Compensatory Arrangements		Immediately upon completion of the Rights Issue (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed under the Compensatory Arrangements and, to the extent underwritten by the Underwriter under the Underwriting Agreement, are taken up by the Underwriter	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Axioma Capital (the Underwriter) (Note 1)	830,101,285	64.96	1,245,151,927	64.96	1,245,151,927	64.96	1,343,541,909	75.00 (Note 2)
Independent Placees	–	–	–	–	223,923,652	11.68	–	–
Public Shareholders	447,847,303	35.04	671,770,955	35.04	447,847,303	23.36	447,847,303	25.00
Total	1,277,948,588	100.00	1,916,922,882	100.00	1,916,922,882	100.00	1,791,389,212	100.00

Notes:

- (1) As at the Latest Practicable Date, Axioma Capital is wholly, ultimately and beneficially owned by Mr. Levitskii. As such, Mr. Levitskii is deemed or taken to be interested in the Shares held by Axioma Capital by virtue of the SFO.
- (2) Axioma Capital has provided, under the Undertaking Agreement, an Irrevocable Undertaking to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Axioma Capital, other non-public shareholder(s) (if any) and the Undertaken Shares, will be up to and not exceeding 75% (or any given percentage as allowed under the Listing Rules to be held by non-public Shareholders) of the total enlarged number of issued Shares at completion of the Rights Issue.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP

The Group is principally engaged in the mining business and the production and development of industrial commodities product including iron ore concentrate.

LISTING RULES IMPLICATIONS

As the Rights Issue, if proceeded with, will, in aggregated with the 2024 Rights Issue, increase the number of issued shares of the Company by more than 50%, in accordance with Rule 7.19A(1) of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates shall abstain from voting in favour of the Rights Issue under Rule 7.27A(1) of the Listing Rules. As at the Latest Practicable Date, Axioma Capital holds 830,101,285 Shares (representing approximately 64.96% of all issued Shares) and is a controlling Shareholder of the Company. As such, Axioma Capital shall abstain from voting in favour of the resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

As Axioma Capital, the Underwriter, is a controlling Shareholder, it is a connected person of the Company under Chapter 14A of the Listing Rules and the Underwriting Agreement and the transactions contemplated thereunder constitute connected transactions for the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. The Underwriter shall abstain from voting in relation to the resolution(s) in relation to the Underwriting Agreement at the EGM.

Mr. Levitskii, the non-executive Director and chairman of the Board is the sole beneficial owner of the Underwriter, and as such he has abstained from voting at the meeting of the Board convened to consider the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

EGM

The register of members of the Company will be closed from Wednesday, 10 December 2025 to Tuesday, 16 December 2025 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Tuesday, 16 December 2025. In order to be qualified for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's Registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 9 December 2025.

LETTER FROM THE BOARD

The EGM will be convened and held for the purpose of considering and, if thought fit, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Save for Axioma Capital and Mr. Levitskii, there is no other Shareholder who shall abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM. Only the Independent Shareholders will be entitled to vote on the resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

A notice convening the EGM to be held at Hong Thai Expo and Business Centre, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 16 December 2025 at 2:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ircgroup.com.hk. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy and indicate voting instruction in accordance with the instructions printed thereon and return it to the Company's Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time for the holding of the EGM (i.e. not later than 2:30 p.m. on Sunday, 14 December 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Dmitry Vsevolodovich Dobryak, Ms. Natalia Klimentievna Ozhegina, Mr. Vitaly Georgievich Sheremet and Mr. Alexey Mihailovich Romanenko, being all the independent non-executive Directors, has been established to advise the Independent Shareholders (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) how to vote, taking into account the recommendations of the Independent Financial Adviser. Amasse Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee on the Rights Issue.

Subject to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM, the Prospectus Documents or the Prospectus, whichever appropriate, will be despatched to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (excluding the members of the Independent Board Committee whose views in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are further set out below and in the letter from the Independent Board Committee contained in this circular) consider that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (excluding the members of the Independent Board Committee whose views in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are further set out below and in the letter from the Independent Board Committee contained in this circular) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder.

Having taken into account the advice of the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contain its recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-33 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the aforesaid regards.

Your attention is also drawn to the additional information contained in the appendices to this circular.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof, and the Listing Committee granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this letter from the Board for further details. Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Any dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

Yours faithfully,
For and on behalf of the Board
IRC Limited
Denis Cherednichenko
Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

25 November 2025

To the Independent Shareholders,

Dear Sir or Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON
A NON-FULLY UNDERWRITTEN BASIS; AND
(2) CONNECTED TRANSACTION IN RELATION TO
THE UNDERWRITING AGREEMENT**

We refer to the circular dated 25 November 2025 of the Company to the Shareholders (the “Circular”), of which this letter forms part. Capitalised terms used herein shall have the same meaning as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and to recommend how the Independent Shareholders should vote at the EGM.

Amasse Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in these regards. Details of the advice of the Independent Financial Adviser, together with the principal factors it has taken into consideration in giving its advice, are contained in its letter set out on pages IFA-1 to IFA-33 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser, we consider that the Rights Issue, the Placing Agreement, the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and/or its Independent Shareholders. We also consider that the Underwriting Agreement is on normal commercial terms, and the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and/or the Independent Shareholders, despite the transaction contemplated under the Underwriting Agreement is not in the Company's ordinary and usual course of business. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the Underwriting Agreement.

Yours faithfully,
For and on behalf of the
Independent Board Committee

**Dmitry Vsevolodovich
Dobryak**

*Independent non-
executive Director*

**Natalia Klimentievna
Ozhegina**

*Independent non-
executive Director*

**Vitaly Georgievich
Sheremet**

*Independent non-
executive Director*

**Alexey Mihailovich
Romanenko**

*Independent non-
executive Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Amasse Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue prepared for the purpose of inclusion in this circular.

AMASSE CAPITAL
寶 積 資 本

25 November 2025

To: *The Independent Shareholders and the Independent Board Committee*

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Details of the aforesaid transactions are set out in the “Letter from the Board” contained in the circular of the Company dated 25 November 2025 (the “**Letter from the Board**”), of which this letter form part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Rights Issue

The Company proposes to raise up to approximately HK\$325.9 million (equivalent to approximately US\$41.8 million) before expenses by way of the issue to the Qualifying Shareholders of a maximum of 638,974,294 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.51 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date on a non-fully underwritten basis. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

Assuming that there is no change in the number of issued Shares on or before the Record Date and all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$325.9 million (equivalent to approximately US\$41.8 million). The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$2.3 million (equivalent to approximately US\$0.3 million)) are estimated to be approximately HK\$323.6 million (equivalent to approximately US\$41.5 million) (assuming no changes in the number of Shares in issue on or before the Record Date). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.5065.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Rights Issue will proceed on a non-fully underwritten basis. Save for the Undertaken Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

LISTING RULES IMPLICATIONS

As the Rights Issue, if proceeded with, will, in aggregated with the 2024 Rights Issue, increase the number of issued shares of the Company by more than 50%, in accordance with Rule 7.19A(1) of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates shall abstain from voting in favour of the Rights Issue under Rule 7.27A(1) of the Listing Rules. As at the Latest Practicable Date, Axioma Capital holds 830,101,285 Shares (representing approximately 64.96% of all issued Shares) and is a controlling Shareholder of the Company. As such, Axioma Capital shall abstain from voting in favour of the resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

As Axioma Capital, the Underwriter, is a controlling Shareholder, it is a connected person of the Company under Chapter 14A of the Listing Rules and the Underwriting Agreement and the transactions contemplated thereunder constitute connected transactions for the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. The Underwriter shall abstain from voting in relation to the resolution(s) in relation to the Underwriting Agreement at the EGM.

Mr. Levitskii, the non-executive Director and chairman of the Board is the sole beneficial owner of the Underwriter, and as such he has abstained from voting at the meeting of the Board convened to consider the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Dmitry Vsevolodovich Dobryak, Ms. Natalia Klimentievna Ozhegina, Mr. Vitaly Georgievich Sheremet and Mr. Alexey Mihailovich Romanenko, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the mandatory conditional cash offers dated 22 December 2023 by First Fidelity Capital (International) Limited for and on behalf of Axioma Capital to acquire all the Shares (other than those already owned and/or agreed to be acquired by Axioma Capital and parties acting in concert with it) and to cancel all the then outstanding share options of the Company (the “**Previous Appointment**”), details of which are set out in the composite document issued by the Company and Axioma Capital dated 22 December 2023. Except for the service of independence financial adviser as stated above, we had not provided any other services to the Company in the past two years that would affect our independence as an independence financial adviser to the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

With regard to our independence from the Company, it is noted that, apart from normal professional fees paid or payable to us in connection with the Previous Appointment as well as current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have reviewed, among others, (i) the annual report (the “**2024 Annual Report**”) of the Company for the year ended 31 December 2024 (“**FY2024**”), the interim report (the “**2025 Interim Report**”) of the Company for the six months ended 30 June 2025 (“**1H2025**”) in relation to the information of the Group; (ii) the prospectus of the 2024 Rights Issue dated 21 November 2024; (iii) the information contained or referred to in the Circular; and (iv) relevant public information. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations that have been provided by the Management, for which the Directors are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the representation and confirmation of the Management that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Rights

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Issue. We have reviewed and discussed with the Company on the information provided as well as sought and received confirmation from the Management that all information and representations provided to us by the Management are true, accurate, complete and not misleading in all respects at the time they were made and as at the Latest Practicable Date. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular as a whole misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Management, nor have we conducted any independent in-depth investigation into the business and affairs of any members of the Group, the counter party(ies) to the Rights Issue or their respective subsidiaries or associates. We also have not considered the taxation implication on the Group or the Shareholders as a result of the Rights Issue and the transactions contemplated thereunder. We have not carried out any feasibility study on the past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group. Our opinion has been formed on the assumption that any analysis, estimation, anticipation, condition and assumption provided by the Group are feasible and sustainable. Our opinion shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Rights Issue, we have considered the following principal factors and reasons:

1. Information on the Group

1.1 Principal business of the Group

The Group is principally engaged in the mining business and the production and development of industrial commodities product including iron ore concentrate.

1.2 Financial information of the Group

Set out below is the summary of the Group's (i) audited financial performance for the year ended 31 December 2023 ("FY2023") and FY2024 as extracted from the 2024 Annual Report; and (ii) unaudited financial performance for the six months ended 30 June 2024 ("1H2024") and 1H2025 as extracted from the 2025 Interim Report:

	1H2025 <i>US\$'000</i> (unaudited)	1H2024 <i>US\$'000</i> (unaudited)	FY2024 <i>US\$'000</i> (audited)	FY2023 <i>US\$'000</i> (audited)
Revenue	122,798	112,329	221,156	252,987
Loss before tax	(103,478)	(13,054)	(19,868)	(146,571)
Loss for the period/year	(101,976)	(13,226)	(20,511)	(156,889)
Attributable to:				
Owners of the Company	(101,968)	(13,239)	(20,491)	(156,809)
Non-controlling interests	(8)	13	(20)	(80)

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1H2025 vs 1H2024

For 1H2025, the Group recorded revenue of approximately US\$122.8 million, representing an increase of 9.3% as compared to that of approximately US\$112.3 million for 1H2024. The increase in revenue was mainly attributable to 26.9% increase in sales volume of iron ore concentrate in 1H2025 amount to 1,419,367 tonnes when compared to that of 1,118,750 tonnes in 1H2024 despite the decrease of iron ore price as the average Platts 65% iron ore price in 1H2025 was US\$112.5 per tonne, which had decreased US\$18.2 per tonne or approximately 13.9% when compared to that of US\$130.7 per tonne in 1H2024.

For 1H2025, the Group's loss attributable to owners of the company was approximately US\$102.0 million, representing an increase of approximately 672.7% when compared to that of approximately US\$13.2 million for 1H2024 due to the net effect of a one-off gain from reversal of accruals and write-back of payables related to engineering, procurement and construction contract of US\$29.9 million offset by impairment losses related to the K&S mine and other assets of US\$126.9 million for 1H2025, primarily due to the appreciation of Russian Rouble resulting in higher forecasted operating costs in US dollar term.

FY2024 vs FY2023

For FY2024, the Group recorded revenue of approximately US\$221.2 million, representing a decrease of 12.6% as compared to that of approximately US\$253.0 million for FY2023. The decrease in revenue was mainly attributable to (i) the ore quality issues regarding ore quality from the depleting Kimkan mine which reduced the production volume of the Group by 3.6% and thus the sales volume, the Company only managed to sell 2,342,633 tonnes of iron ore concentrate in FY2024, representing a 7.4% decrease when compared to that of 2,528,596 tonnes for FY2023; and (ii) the falling of the iron ore price during FY2024 as the average iron ore price level in 2024 of US\$123.3 per tonne was 6.6% lower than that of 2023 of US\$132.0 per tonne.

For FY2024, the Group's loss attributable to owners of the Company was approximately US\$20.5 million, representing a decrease of approximately 86.9% when compared to that of approximately HK\$156.8 million for FY2023, which was mainly attributable to the provision for impairment losses for the K&S mine and other assets of US\$163.9 million in FY2023, following weaker iron ore price environment and substantial inflationary increase of various operating costs.

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Financial position as at 1H2025

Set out below is the summary of the Group's financial position as at 31 December 2024 and 30 June 2025 as extracted from the 2025 Interim Report:

	As at 30 June 2025 US\$'000 (unaudited)	As at 31 December 2024 US\$'000 (audited)
Non-current assets	154,362	290,657
Current assets	122,879	155,178
Total assets	277,241	445,835
Non-current liabilities	9,399	32,443
Current liabilities	53,332	98,003
Total liabilities	62,731	130,446
Total equity	214,510	315,389
Equity attributable to owners of the Company	215,076	316,144

The total assets of the Group were approximately US\$277.2 million as at 30 June 2025, representing a decrease of approximately 37.8% as compared to that of approximately US\$445.8 million as at 31 December 2024. The decrease in total assets was mainly due to the impairment losses provision related to the K&S mine and other assets of US\$126.9 million made as of 30 June 2025.

The total liabilities of the Group were approximately US\$62.7 million as at 30 June 2025, representing a decrease of approximately 51.9% as compared to that of approximately US\$130.4 million as at 31 December 2024. The decrease in total liabilities was mainly due to the Group having agreed a settlement with an engineering, procurement and construction contractor, allowing the Group to discharge the liabilities due to the contractor of US\$46.4 million.

As at 30 June 2025, the net assets attributable to owners of the Company decreased approximately 32.0% from approximately US\$316.1 million as at 31 December 2024 to approximately US\$215.1 million. The decrease in net assets attributable to owners of the Company was mainly resulted from the impairment losses provision related to the K&S mine and other assets of US\$126.9 million made as of 30 June 2025.

2. Reasons for the Rights Issue and use of proceeds

2.1 *Reasons for the Rights Issue*

As disclosed in the Letter from the Board, as at 30 June 2025, the Group's unaudited cash, deposits and bank balances amounted to US\$29.9 million, while its current liabilities stood at US\$53.3 million. The Group has a US\$240 million loan facility drew down in 2019, and as at the Latest Practicable Date, the Group has repaid US\$211.9 million and the outstanding loan principal due to MIC Invest Limited Liability Company ("**MIC**") amounts to US\$28.1 million (the "**MIC Loan Facility**"), of which US\$14.4 million and US\$13.7 million will fall due on 20 December 2025 (the "**2025 Repayment**") and in 2026 (the "**2026 Repayment**") respectively. The Group's weighted average interest rate in the first half of 2025 was 8.33%.

The interest rate of the MIC Loan Facility was determined based on Secured Overnight Financing Rate ("**SOFR 90**"). Interests for the first loan tranche of US\$160 million (of which US\$28.1 million is outstanding as of the Latest Practicable Date) and second loan tranche of US\$80 million (which has been fully repaid as of the Latest Practicable Date) would be determined based on SOFR 90 + 6.2% per annum and SOFR 90 + 8.2% per annum, respectively.

For the year ended 31 December 2024 and the six months ended 30 June 2025, the Group paid interest in respect of the MIC Loan Facility of approximately US\$7.2 million and US\$1.9 million, respectively.

As disclosed in the 2025 Interim Report, the Group recorded an adjusted underlying loss of US\$3.0 million for the first half of the year despite a significant 26.9% year-on-year increase in sales volume. While the Company continued to maintain strong production and sales volumes into the second half of 2025, its financial performance is being challenged by adverse market conditions including the declining iron ore price and currency appreciation pressure.

As further detailed in the paragraph headed "Fund Raising Exercise of the Company" in the Letter from the Board, the Company had conducted the 2024 Rights Issue, and, as at 30 September 2025, fully utilised a portion of such proceeds to fund the operations of K&S, a magnetite development project in the Company's portfolio consisting of the Kimkan deposit and the Sutara deposit for the upgrade and acquisition of mining equipment, including bulldozer, diesel shovel, and other mining machinery and equipment.

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As disclosed in the 2025 Interim Report, the successful mining operation at the Sutara deposit is a major revenue driver of the Group, and the Group is dedicated to up-keep and improve the performance of the Sutara deposit. As at the Latest Practicable Date, the ore at Sutara is being transported 18 kilometres to the K&S processing plant, in order to further reduce the hauling costs, the Group is currently in the process of setting up a crushing and screening plant at Sutara. The Group is also intending to, for the purpose as set out above, continue to develop its mining fleet by further acquisition and/or leasing of mining equipment to further reduce the costs of production, a significant portion of which represents mining fees charged by third-party mining contractors. This shall also effectively lower the Group's reliance on the third-party mining contractors, which sometimes experience mining capacity issues beyond the Group's purview and may cause the slowing down of ore mining.

Considering the current market conditions, the Group's reducing cash reserves, and the high financial costs it incurs, the Directors believe that the Rights Issue could serve as a viable solution to secure sufficient funds for repaying the Group's borrowings and payables, which will not only allow the Group to meet the financial obligations when they fall due but will also improve the Group's financial position and enhance its profitability by reducing the burden of interest expenses.

Based on the above, the Company intends to apply the net proceeds from the Rights Issue, assuming that the Rights Shares are subscribed in full, of approximately HK\$323.6 million (approximately US\$41.5 million) in the following manner:

- (i) as to approximately HK\$219.2 million (approximately US\$28.1 million), representing 68% of the net proceeds for the full repayment of the principal of the borrowings due to MIC. Of this amount, HK\$112.3 million (approximately US\$14.4 million) will be allocated to repay the 2025 Repayment in December 2025; and the remaining HK\$106.9 million (approximately US\$13.7 million) will be used to repay the 2026 Repayment. Such proceeds are expected to be fully utilised by December 2026;
- (ii) as to approximately HK\$71.7 million (approximately US\$9.2 million), representing 22% of the net proceeds to fund the mining operation of K&S, a magnetite development project in the Company's portfolio consisting of the Kimkan deposit and the Sutara deposit. Such proceeds are expected to be fully utilised within 12 months from the completion of the Rights Issue; and
- (iii) as to approximately HK\$32.7 million (approximately US\$4.2 million), representing 10% of the net proceeds, for the replenishment of general working capital. Such proceeds are expected to be fully utilised within 12 months from the completion of the Rights Issue.

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In the event that the Rights Issue is not subscribed in full, the net proceeds will first be applied to fully repay the principal of the borrowings due to MIC as mentioned in (i) above. After the full repayment of the 2025 Repayment and the 2026 Repayment, up to HK\$32.7 million (approximately US\$4.2 million) will first be applied for the replenishment of general working capital, and the remaining balance of the net proceeds (if any) will be used to fund the mining operation of K&S.

In ascertaining the fairness and reasonableness of the Rights Issue and the Company's need for additional funding, we have discussed with the Management and considered, in particular:

- (1) in relation to the repayment of the principal of the borrowings due to MIC, we noted from the 2025 Interim Report that the Company drew down the US\$240 million loan facility in 2019 and since then the Company has repaid US\$211.9 million. As of 30 June 2025, the total debt due to MIC amounted to US\$28.1 million. We are given to understand from the Management that based on the discussion between the Management and MIC, MIC agreed to further extend the principal repayment deadline of an instalment originally due on 20 June 2025 and 20 October 2025 to 20 December 2025.
- (2) as mentioned in the 2024 Annual Report, natural depletion of the ore reserves at the Kimkan deposit had affected the production of K&S in the first half of 2024. The production hindrance was alleviated when Sutara deposit commenced operation in July 2024. As advised by the Management, the ore quality of Sutara deposit is in higher quality and would allow K&S to increase production volume and operating efficiency. Meanwhile, K&S did not have own mining fleet, and the mining works on site were carried out by third-party mining contractors and thus the increased mining fees charged by the third-party mining contractors represents a significant part in the Group's cost levels. As advised by the Management, the Company were contemplating to purchase its own mining equipment for K&S in order to improve the cost efficiency and the profitability of the Group. We have further reviewed internal documentation provided by the Management, including the internal correspondences regarding the investment and budget plans for acquiring and leasing of mining equipment to partially replace the existing mining contractors for K&S. Based on these materials and further discussions with the Management, we were given to understand that, the Board had approved the aforesaid investment plans and thus subject to prevailing market conditions and operational performance, the expected allocation of HK\$71.7 million (equivalent to approximately US\$9.2 million, assuming the Rights Issue have been taken up in full) would be fully utilised within 12 months from the completion of the Rights Issue in according with the investment plan.

- (3) in relation to the general working capital needs of the Company, we noted from the 2024 Annual Report that the operating expenses (excluding depreciation) were approximately US\$211.5 million for FY2024 and US\$211.1 million for FY2023. As mentioned in the 2024 Annual Report, notwithstanding the Management endeavours to keep K&S's operating and administrative costs under strict control, the Group's cash cost (the cost of running a mine to produce a given amount of product) increased by 9.0% to US\$86.0 per tonne in 2024, the aforesaid increment was mainly driven by a new temporary export duties and high inflation rates in Russia. Moreover, the operating expenses (excluding depreciation) were approximately US\$116.0 million for 1H2025, US\$1.6 million higher than that in 1H2024 and the operating expenses (excluding depreciation) were expected to be approximately US\$232.0 million on an annualised basis for the year ending 31 December 2025. We further noted in the 2025 Interim Report that the operating expenses (excluding depreciation) represent approximately 94.4% of the Group's total revenue for 1H2025. Meanwhile, the Group's bank and cash balances (including time deposits) was approximately US\$29.9 million as at 30 June 2025 representing a decrease of approximately 50.7% when compared to that of approximately US\$60.7 million as at 31 December 2024. In view of the Group's operating expenses and limited cash balance as stated above, we considered that allocation of HK\$32.7 million (equivalent to approximately US\$4.2 million, assuming the Rights Issue have been taken up in full) for the replenishment of general working capital is fair and reasonable.

Having considered the above, the Group has a genuine funding need for the repayment of debt as well as to support its business operations, we consider the Group's reasons for proceeding with the Rights Issue to be fair and reasonable.

2.2 *Financing alternatives*

We have discussed and understand from the Management that the Board has considered other fund raising alternatives including but not limited to debt financing such as bank borrowings, equity financing such as the placing, subscription of new Shares or open offer.

As disclosed in the Letter from the Board, in respect of debt financing, taking into account the Group's background with its principal place of business in Russia, dealings with banks and financial institution has been increasingly challenging and time consuming given the geopolitical tension.

In respect of equity financing such as placing and subscription of new Shares, taking into account that (i) it is relatively smaller in scale as compared to fund that can be raised through rights issue; and (ii) it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company, it was not considered by the Board to be the most suitable fund-raising methods for the Company.

As for open offer, while it is similar to a rights issue, offering qualifying shareholders opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

We have discussed with and concurred with the Management that (i) due to geopolitical tensions, debt financing engaging with banks and financial institutions has become increasingly difficult and time-consuming; (ii) equity financing through placing or subscription is less favorable because it raises relatively smaller amount and causes immediate dilution to existing Shareholders without offering them participation in the enlarged capital base of the Company; and (iii) the Rights Issue allows the Qualifying Shareholders the flexibility to sell off some or all of their rights entitlements in the open market (subject to the market demand) and realise the cash value therefrom.

In totality, after considering other financing alternatives as discussed above, we concur that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. The Rights Issue

3.1 Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.51 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,277,948,588 Shares As at the Latest Practicable Date, the Company does not hold any treasury shares and there is no repurchased Share pending cancellation.
Number of Rights Shares to be issued pursuant to the Rights Issue (assuming the Rights Issue is fully subscribed)	:	638,974,294 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Maximum total number of issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	1,916,922,882 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue (before expenses)	:	No more than approximately HK\$325.9 million (equivalent to approximately US\$41.8 million)
Net proceeds from the Rights Issue	:	No more than approximately HK\$323.6 million (equivalent to approximately US\$41.5 million)
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.5065 per Rights Share (assuming no changes in the number of issued shares of the Company on or before the Record Date)

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As at the Latest Practicable Date, the Company has no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the number of issued Shares on or before the Record Date and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 638,974,294 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents approximately 50.0% of the number of issued Shares as at the Latest Practicable Date and will represent approximately 33.3% of the total number of issued Shares of the Company as enlarged by the issue of the Rights Shares (assuming the Rights Issue is fully subscribed).

3.2 The Subscription Price

The Subscription Price of HK\$0.51 per Rights Share is payable in full upon the acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

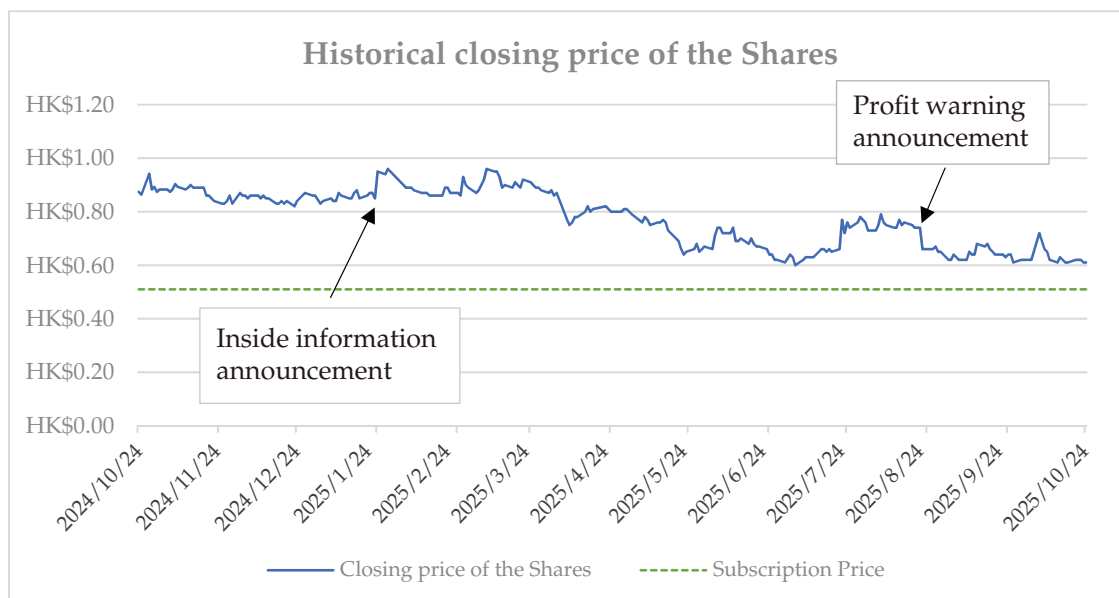
- (i) a discount of approximately 16.39% to the closing price of HK\$0.610 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.21% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.616 per Share;
- (iii) a discount of approximately 17.21% to the average closing prices per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.636 per Share;
- (iv) a discount of approximately 12.17% to the theoretical ex-rights price of approximately HK\$0.581 per Share based on the benchmark price of HK\$0.616 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.610 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.616 per Share);
- (v) a premium of 2.00% to the closing price of HK\$0.500 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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- (vi) a discount of approximately 61.1% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.31 (based on the unaudited consolidated equity attributable to equity holders of the Company as at 30 June 2025 of approximately US\$215,076,000 as disclosed in the interim report of the Company for the six months ended 30 June 2025 and 1,277,948,588 Shares in issue as at the Latest Practicable Date); and
- (vii) taking into account the 2024 Rights Issue, accumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 9.76%, being the discount of the theoretical diluted price of approximately HK\$0.937 per Share against the benchmarked price of approximately HK\$1.038 per Share (as defined under Rule 7.27B of the Listing Rules, being the benchmark price adopted for the 2024 Rights Issue (as adjusted as the Company conducted a 10-to-1 share consolidation in June 2025)).

3.3 Review of historical Shares closing prices

The following share price chart illustrates the daily closing price of the Shares (taking into account the Company's share consolidation as disclosed in the Company's announcement dated 15 May 2025, which became effective on 27 June 2025) as quoted on the Stock Exchange, during the period from 24 October 2024 up to and including the Last Trading Day (the "**Review Period**") (being a period of approximately 12 months prior to and including the Last Trading Day) against the Subscription Price of HK\$0.51 per Rights Share. We consider the Review Period to be sufficient in reflecting the recent trading pattern of the Shares.



Source: website of the Stock Exchange

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We note from the chart above that, during the Review Period, the closing price of the Shares fluctuated between HK\$0.60 and HK\$0.96 per Share, with an average closing price of approximately HK\$0.77 per Share.

During the period from 24 October 2024 to 22 January 2025, the closing price of the Shares was traded at a range of HK\$0.82 per Shares to HK\$0.94. The closing price of the Shares surged rapidly since 23 January 2025 and reached a period high of HK\$0.96 per Share on 28 January 2025 and another period high on 7 March 2025. Afterward, the closing price of the Shares traded between HK\$0.86 and HK\$0.95 from 10 March 2025 to 3 April 2025. We have enquired the Directors regarding the possible reasons for such rapid movement in the closing price of the Shares in late January 2025 and early March 2025, and as confirmed by the Directors, save for the publication of an inside information announcement relating to the settlement of dispute between the Group and its engineering, procurement and construction contractor, the Directors were not aware of any happening which might have affected the closing price of the Shares.

Subsequently, the closing price of the Shares followed a general decreasing trend and reached the period low of HK\$0.60 on 4 July 2025 and recorded for a closing price of HK\$0.66 on 21 July 2025. The closing price of the Shares increased gradually to HK\$0.74 on 21 August 2025 and dropped to HK\$0.66 on 22 August 2025. We have enquired the Directors regarding the possible reasons for the downward movement in the closing price of the Shares in late August 2025, and as confirmed by the Directors, save for the publication of the profit warning announcement for 1H2025, the Directors were not aware of any happening which might have affected the closing price of the Shares. Thereafter, the closing price showed fluctuated between HK\$0.61 and HK\$0.72 per Share and recorded HK\$0.61 per Share on 24 October 2025, being the Last Trading Day.

Although the Subscription Price is lower than the range of the closing prices of the Shares during the Review Period, however, considering (i) the Group has a funding need for the repayment of debt as well as to support its business operations as set out in the section headed “2.1 Reasons for the Rights Issue” above; (ii) the low liquidity of the Shares as discussed in the section below headed “3.4 Historical trading liquidity of the Shares”; and (iii) it is noted that it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares in order to increase the attractiveness and encouraging shareholders to participate in the rights issue as discussed in the section headed “3.5 Comparable analysis with recent rights issue exercises” below, we consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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3.4 *Historical trading liquidity of the Shares*

Set out below in the table are the average daily trading volume of the Shares (taking into account the Company's share consolidation as disclosed in the Company's announcement dated 15 May 2025, which became effective on 27 June 2025) and the percentages of the average daily trading volume ("**Average Volume**") to the number of total issued Shares during the Review Period.

Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month %
			<i>(Note)</i>
2024			
October			
(from 24 October 2024)	6	776,505	0.091%
November	21	409,345	0.048%
December	20	300,535	0.024%
2025			
January	19	230,498	0.018%
February	20	347,542	0.027%
March	21	293,439	0.023%
April	19	354,629	0.028%
May	20	393,523	0.031%
June	21	354,390	0.028%
July	22	454,950	0.036%
August	21	225,363	0.018%
September	22	369,230	0.029%
October			
(up to and including the Last Trading Day)	16	783,176	0.061%

Source: *website of the Stock Exchange*

Note: The calculation is based on the Average Volume divided by the total number of issued Shares at the end of each month during the Review Period (or at the Last Trading Day for October 2025).

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As illustrated above, during the Review Period, the Average Volume was ranging from approximately 0.018% to 0.091% for the total number of issued Shares as at the end of each respective month (or at the Last Trading Day for October 2025), with an average of approximately 0.035%.

Given such relatively thin liquidity of the Shares during the Review Period, it would be difficult for the Shareholders to acquire a substantial block of the Shares in the open market without exerting a significant impact on the Share price. We consider that the prices, liquidity and general price trend of the Shares during the Review Period should have reflected market evaluation on the recent business performance of the Group.

In view of (i) the thin trading volume of the Shares as illustrated above; (ii) the sharp decreasing trend of the closing price of the Shares since April 2025; and (iii) the general decreasing trend of the Closing Prices from HK\$0.96 per Share on 7 March 2025 to HK\$0.61 on the Last Trading Day, we consider that it is reasonable to offer a discount for the Subscription Price to encourage the Qualifying Shareholders to subscribe for the Rights Shares; or the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the placee(s) pursuant to the Placing Agreement.

3.5 Comparable analysis with recent rights issue exercises

To further assess the fairness and reasonableness of the terms of the Rights Issue, we have conducted our independent research based on comparable analysis through identifying rights issues announced by companies listed on the Main Board of the Stock Exchange between 24 July 2025 and the Last Trading Day (the “**Comparables Review Period**”). We consider that the Comparables Review Period is sufficient as it is intended to identify the most recent rights issue transactions conducted by companies listed on the Main Board of the Stock Exchange under the market conditions and sentiment similar to that of the Rights Issue, thus allowing reasonable comparison of their commercial terms. Given that (i) such period would provide us with the recent and relevant information to demonstrate the prevailing market practice prior to the Announcement under the prevailing market conditions; and (ii) we are able to identify sufficient and reasonable samples size for selection of comparables within the Comparables Review Period. We consider the Comparables Review Period of approximately three months is fair and reasonable. Based on the aforementioned criteria, on a best effort basis, we have noted and reviewed 20 similar rights issues (together as the “**Comparables**”).

Notwithstanding that the subject companies constituting the Comparables may have different principal activities, market capitalisation, profitability and financial position as compared with those of the Company, and different reasons for their respective fund-raising activities, we would still consider, in light of our selection criteria, capturing recent rights issues by listed companies under similar market conditions and sentiments can provide Shareholders with a broad perspective of recent market trend of this type of transaction which is similar to that of the Rights Issue.

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Date of announcement	Company name	Stock code	Basic of entitlement	Approx. percentage of the total number of issued shares as enlarged by the allotment and issue of the rights shares (%)	Premium/ (discount) of subscription price per rights share over to closing price per share on the last trading day prior to announcement of rights issue (%)	Premium/ closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue (%)	Premium/ (discount) of subscription price per rights share over to the then latest net asset value per share as at the date of the announcement of the rights issue (%) (Note 1)	Theoretical dilution effect (%)	Excess application / Placing	Placing commission (%) or HK\$	Minimum placing commission	Underwriting arrangement	Underwriting commission (%)
25/7/2025	Shin Hwa World Limited	582	1 for 1	50.0	(34.2)	(33.1)	(97.1)	17.1	Excess application	N/A	N/A	Best-effort	1.00
30/7/2025	Da Yu Financial Holdings Limited	1073	1 for 2	33.3	(16.7)	(18.9)	(45.5)	6.7	Excess application	N/A	N/A	No	N/A
30/7/2025	XJ International Holdings Co., Ltd.	1765	1 for 12	7.7	(2.0)	(0.5)	(83.7)	0.2	Placing	0.50% or HK\$50,000	No	No	N/A
									(Note 3)				
4/8/2025	TOMO Holdings Limited	6928	1 for 2	33.3	(62.1)	(63.2)	25.0	21.3	Placing	1.00	No	No	N/A
6/8/2025	Value Convergence Holdings Limited	821	2 for 1	66.7	(4.3)	(5.9)	(71.1)	3.1	Both	2.50	No	No	N/A
13/8/2025	Capital VC Limited	2324	1 for 1	50.0	(27.3)	(24.8)	(82.0)	13.6	Placing	3.00	HK\$100,000	No	N/A
													(Note 4)

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Date of announcement	Company name	Stock code	Basic of entitlement	Approx. percentage of the total number of issued shares as enlarged by the allotment and issue of the rights shares (%)	Premium/ (discount) of subscription price per rights share over to closing price per share on the last trading day prior to announcement of rights issue (%)	Premium/ closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue (%)	Premium/ (discount) of subscription price per rights share over to the then latest net asset value per share as at the date of the announcement (%) (Note 1)	Theoretical dilution effect (%)	Excess application / Placing	Placing commission (%) or HK\$	Minimum placing commission	Underwriting arrangement	Underwriting commission (%)
14/8/2025	China Energy Development Holdings Limited	228	1 for 2	33.3	(19.9)	(19.9)	(73.3)	6.6	Excess application	N/A	N/A	No	N/A
4/9/2025	Many Idea Cloud Holdings Limited	6696	6 for 1	85.7	(22.1)	(24.6)	(90.5)	20.6	Placing	0.20	No	No	N/A
10/9/2025	China Automotive Interior Decoration Holdings Limited	48	3 for 2	60.0	(29.7)	(29.3)	(88.1)	17.8	Placing	1.50	No	Fully	4.50
15/9/2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	66.7	(33.6)	(35.2)	(97.9)	24.8	Placing	5.00	No	No	N/A
19/9/2025	Immunotech Biopharm Ltd	6978	1 for 5	16.7	(47.7)	(47.8)	N/A	8.1	Excess application	N/A	N/A	Best-effort	1.45

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Date of announcement	Company name	Stock code	Basic of entitlement	Approx. percentage of the total number of issued shares as enlarged by the allotment and issue of the rights shares (%)	Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue (%)	Premium/ closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue (%)	Premium/ (discount) of subscription price per rights issue share over to the then latest net asset value per share as at the date of the announcement (%) (Note 1)	Theoretical dilution effect (%)	Excess application / Placing	Placing commission (%) or HK\$	Minimum placing commission	Underwriting arrangement	Underwriting commission (%)
26/9/2025	Perfected International Holdings Limited	765	1 for 2	33.3	(18.1)	(20.7)	152.1	7.0	Excess application	N/A	N/A	No	N/A
2/10/2025	China New Economy Fund Limited	80	1 for 2	33.3	(29.3)	(27.2)	775.0 (Note 2)	9.7	Excess application	N/A	N/A	No	N/A
3/10/2025	Macau Legend Development Limited	1680	1 for 2	33.3	(45.5)	(44.4)	(88.5)	15.8	Excess application	N/A	N/A	Fully	3.00
5/10/2025	Fire Rock Holdings Limited	1909	1 for 2	33.3	(20.2)	(27.9)	195.7	9.1	Placing	HK\$100,000	No	Non-fully	No
9/10/2025	CCIAM Future Energy Limited	145	1 for 2	33.3	(18.6)	(19.1)	(6.1)	6.6	Placing	HK\$100,000	No	No	N/A
15/10/2025	Winshine Science Company Limited	209	7 for 1	87.5	(23.5)	(24.3)	N/A	21.1	Excess application	N/A	N/A	Fully	2.50

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Date of announcement	Company name	Stock code	Basic of entitlement	Approx. percentage of the total number of issued shares as enlarged by the allotment and issue of the rights shares (%)	Premium/ (discount) of subscription price per rights share over to closing price per share on the last trading day prior to announcement of rights issue (%)	Premium/ closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue (%)	Premium/ (discount) of subscription price per rights share over to the then latest net asset value per share as at the date of the announcement (%) (Note 1)	Theoretical dilution effect (%)	Excess application / Placing	Placing commission (%) or HK\$	Minimum placing commission	Underwriting arrangement	Underwriting commission (%)
15/10/2025	Synertone Communication Corporation	1613	2 for 1	66.7	(35.7)	(35.7)	(43.8)	23.8	Placing	1.00	No	No	N/A
22/10/2025	Crocodile Garments Limited	122	1 for 2	33.3	(22.7)	(22.4)	(92.5)	7.6	Excess application	N/A	N/A	No	N/A
24/10/2025	Sandmartin International Holdings Limited	482	1 for 1	50.0	2.7	9.0	N/A	6.0	Excess application	N/A	N/A	No	N/A

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Date of announcement	Company name	Stock code	Basic of entitlement	Approx. percentage of the total number of issued shares as enlarged by the allotment and issue of the rights shares (%)	Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue (%)	Premium/ closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue (%)	Premium/ (discount) of subscription price per rights issue share over/ to the then latest net asset value per share as at the date of the announcement (%) (Note 1)	Theoretical dilution effect (%)	Excess application / Placing (%)	Placing commission (%) or HK\$	Minimum placing commission	Underwriting arrangement	Underwriting commission (%)
			Average	45.4	(25.5)	(25.8)	(36.7) (Note 2)	12.3		2.03			2.49
			Maximum	87.5	2.7	9.0	195.7 (Note 2)	24.8		5.00			4.50
			Minimum	7.7	(62.1)	(63.2)	(97.9) (Note 2)	0.2		0.20			1.00
	The Company	1 for 2		33.3	(16.4)	(17.2)	(61.1)	9.8	No	HK\$85,000 or 1.25%	HK\$15,000	Non-fully	No

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Source: website of the Stock Exchange

Notes:

1. N/A means the subject listed company was in net liability position as at the date of the relevant announcement.
2. The premium of the subscription price over the net asset value per share of this comparable is exceptionally high and considered an outlier (the “**NAV Comparable Outlier**”), it is therefore disregarded and excluded in the calculation of the average discount/premium.
3. Minimum fee payable was the higher of (i) 0.5%; or (ii) HK\$50,000.
4. Minimum fee payable was the higher of (i) 3.0%; or (ii) HK\$100,000 regardless of whether completion under the placing occurred.

Subscription Price

The subscription price of the Comparables ranged from a discount of approximately 62.1% to a premium of approximately 2.7%, with an average discount of approximately 25.5% and relative to their respective closing prices per share on the last trading day. The discount of approximately 16.4% of the Company's Subscription Price to the closing price per Share on the Last Trading Day falls within this range and is lower than the average discount of the Comparables.

For the average closing prices of five consecutive trading days, including and up to the last trading day, the subscription price of the Comparables ranged from a discount of approximately 63.2% to a premium of approximately 9.0%, with an average discount of approximately 25.8%. The discount of approximately 17.2% of the Company's Subscription Price for the average closing prices of last five consecutive trading days up to and including the Last Trading Day falls within this range and is lower than the average discount of the Comparables.

We also note that the subscription price to the consolidated net asset value per share of the respective Comparables (excluding the NAV Comparable Outlier) ranges from a discount of approximately 97.9% to a premium of approximately 195.7%, with an average discount of approximately 36.7%. The discount of the Company's Subscription Price to the consolidated net asset value per share of approximately 61.1% therefore falls within the range and is higher than the average discount of the consolidated net asset value per share of the Comparables.

It is noted that setting the subscription price at a discount to the prevailing market prices of the relevant shares is a common market practice to enhance the attractiveness of rights issue transactions and encourage shareholder participation. We note that (i) 19 out of 20 Comparables set their subscription prices at various degrees of discount to their respective closing prices on the last trading day and the average closing price over the five consecutive trading days; and (ii) 13 out of 20 Comparables set their subscription prices at various degrees of discount to the then latest net asset value per share. Therefore, we are of the view that the Subscription Price is acceptable and in line with recent market transactions.

Theoretical Dilution Effect

The theoretical dilution effect of the rights issue conducted by the Comparables ranged from a discount of 0.2% to 24.8% with an average discount of approximately 12.3%. The theoretical dilution effect of the Rights Issue of approximately 9.8% falls within the range of the Comparables and is lower than the average of the Comparables.

4. The Compensatory Arrangements, the Placing Agreement and the Underwriting Agreement

4.1 The details of the Compensatory Arrangements and the Placing Agreement

Pursuant to Rule 7.21(2) of the Listing Rules, where any of the issuer's controlling or substantial shareholders acts as an underwriter or sub-underwriter of the rights issue, the issuer must make the arrangements dispose of securities not subscribed by allottees under provisional letters of allotment or their renounees by offering the securities to independent placees for the benefit of the persons to whom they were offered by way of rights.

With reference to the Letter from the Board, the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placee(s) for the benefit of relevant No Action Shareholders and Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 24 October 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis.

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Set out below are the principal terms of the Placing Agreement:

- Date : 24 October 2025 (after trading hours of the Stock Exchange)
- Issuer : The Company
- Placing agent : First Shanghai Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, independent placee(s) to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares.

The Placing Agent is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its parent company, First Shanghai Investments Limited (a company listed on the main board of the Stock Exchange (stock code: 227) ("FSIL") are not Shareholders and are Independent Third Parties. The Placing Agent confirms that itself and its parent company, FSIL are independent of and not acting in concert with the Underwriter, Mr. Levitskii and parties acting in concert with any of them.

- Commission and expenses : The Company shall pay to the Placing Agent a non-refundable fee of HK\$15,000 within three Business Days upon execution of the Placing Agreement.

Subject to the satisfaction of the conditions of the Placing, the Company shall pay to the Placing Agent a placing commission of HK\$85,000 or 1.25% of the gross placing proceeds (i.e. the placing price multiplied by the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent), whichever is higher.

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Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or the AFRC transaction levy as may be payable), and the final placing price shall be determined based on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the placement process.

Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies).

The Placing Agent will use reasonable endeavour to, and the Company will ensure that (i) the Company will continue to comply with public float requirement under rule 8.08 of the Listing Rules upon the completion of the Rights Issue and the Placing; and (ii) that the Placing shall not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

The Underwriter, Mr. Levitskii and their respective concert parties confirmed that they will not be involved in the solicitation, identification, screening and selection of Placees for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Further details of the terms of the Compensatory Arrangements and the Placing Agreement, please refer to the section headed "PROPOSED RIGHTS ISSUE — Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "THE PLACING AGREEMENT" in the Letter from the Board respectively.

4.2 *The Compensatory Arrangements*

Pursuant to Rule 7.21(2) of the Listing Rules, where any of the issuer's controlling or substantial shareholders acts as an underwriter or sub-underwriter of the rights issue, the issuer must make the arrangements dispose of securities not subscribed by allottees under provisional letters of allotment or their renounees by offering the securities to independent placees for the benefit of the persons to whom they were offered by way of rights. Given that the Compensatory Arrangements were required under the Listing Rules and would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, we concur with the view of the Management that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the minority Shareholders.

4.3 *The Placing Agreement*

The Placing Price

Pursuant to the Placing Agreement, the placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or the AFRC transaction levy as may be payable), and the final placing price shall be determined based on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the placement process. Given that (i) the placing price shall be not less than the Subscription Price, which is not prejudicial to the interests of the Qualifying Shareholders; and (ii) the Subscription Price is fair and reasonable as discussed section headed "3. The Rights Issue" above, we consider that the placing price, which shall be not less than the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

The placing commission and expenses

Under the Placing Agreement, (i) the Company shall pay to the Placing Agent a non-refundable fee of HK\$15,000 (the "**Non-refundable Fee**") within three Business Days upon execution of the Placing Agreement; and (ii) subject to the satisfaction of the conditions of the Placing, a placing commission of HK\$85,000 or 1.25% of the gross placing proceeds, whichever is higher.

As set out in the table under sub-section headed "3.5 Comparable analysis with recent rights issue exercises" above, we noted that 10 out of 20 of the Comparables had exercised placing in their rights issues. Among those 10 Comparables who exercise placing in their rights issues, we noted that eight of them had been charged a placing commission in terms of the placing proceeds and ranged between 0.2% and 5.0% with an average of

approximately 2.0%. As such, the placing commission of 1.25% under the Placing Agreement is within the range and below the average observed in these eight Comparables. Meanwhile, we also noted there were three Comparables paid a fixed fee or minimum fee under their placing agreements and thus we are of view that fixed fees are not uncommon in such arrangements. We noted that their fixed placing commissions ranged from HK\$50,000 to HK\$100,000 with an average of approximately HK\$83,000, therefore, the fixed placing commission of HK\$85,000 under the Placing Agreement is within the range and slightly above the average of those three comparables.

Moreover, among those 10 Comparables who exercise placing in their rights issues, we further noted that one comparable, namely Capital VC Limited, had charged the higher of a fixed placing commission of HK\$100,000 regardless of whether completion under the placing occurred or 3% in term of the placing proceeds. Therefore, we are of the view that it is not uncommon to have the Non-refundable Fee as part of the placing commission. Given that the Non-refundable Fee of HK\$15,000 is lower than the fixed placing commission of Capital VC Limited, we considered that the Non-refundable Fee is justifiable.

In view of above, we concur with the view of the Directors that the terms of the Placing Agreement (including the commission payable) are on normal commercial terms and are fair and reasonable.

4.3 The details of the Underwriting Agreement

The Rights Issue is non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below:

Date	:	24 October 2025 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Underwriter	:	As at the Latest Practicable Date, Axioma Capital is beneficially interested in 830,101,285 Shares, representing approximately 64.96% of the total number of issued Shares of the Company and is a controlling Shareholder. Axioma Capital is solely and beneficially owned by Mr. Levitskii, a non-executive Director. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules.

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Number of Rights Shares to be underwritten by the Underwriter : Axioma Capital has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Axioma Capital, other non-public shareholder(s) (if any) and the Undertaken Shares, will be up to and not exceeding 75% (or any given percentage as allowed under the Listing Rules to be held by non-public Shareholders) of the total enlarged number of issued Shares at completion of the Rights Issue.

For the avoidance of doubt, in the event that the number of Shares already held by Axioma Capital together with the Undertaken Shares and Shares held by other non-public Shareholder(s) (if any) reached 75% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Axioma Capital under the Underwriting Agreement.

Underwriting Commission : The Underwriter will not receive any underwriting commission.

For details of the terms of the Underwriting Agreement, please refer to the section headed "THE UNDERWRITING AGREEMENT" in the Letter from the Board.

As stated in the Letter from the Board, as at the Latest Practicable Date, the Board has received from the controlling Shareholder, Axioma Capital, the Irrevocable Undertaking under the Underwriting Agreement. Mr. Levitskii, a non-executive Director, being the sole shareholder of Axioma Capital, is interested in 830,101,285 Shares (representing approximately 64.96% of all issued Shares) as at the Latest Practicable Date. Pursuant to the Irrevocable Undertaking, Axioma Capital has provided irrevocable undertakings to the Company that, provided that public float of the Shares shall not become less than 25% (or any given percentage as required by the Listing Rules which shall be held by the public), it will (i) subscribe for up to 415,050,642 Rights Shares which comprise the full amount of the provisional entitlement (rounded down to the nearest whole number) in respect of the 830,101,285 Shares beneficially held by it; (ii) not dispose of, or agree to dispose of, any of the 830,101,285 Shares owned by it as at the date of the Underwriting Agreement up to and including the Record Date; and (iii) lodge or procure the acceptance of the 415,050,642 Rights Shares which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to it under the Rights Issue, with the Registrar with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

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We consider that the Irrevocable Undertaking and the underwriting arrangement would secure the Company's fund-raising through the Rights Issue to a certain extent. Furthermore, the Irrevocable Undertaking given by Axioma Capital, together with the underwriting arrangement indicate Axioma Capital's support for the Rights Issue and the Group's financial needs.

Pursuant to the Underwriting Agreement, the Underwriter will not receive any underwriting commission. We consider that this is beneficial to the Company as it can avoid any additional transaction cost to be incurred should the Company appoint an independent underwriter for the Rights Issue.

Having considered that (i) the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will firstly be placed to the independent place(s) by the Placing Agent before underwritten by Axioma Capital; (ii) the underwriting arrangement will enable the Group to secure fund-raising through the Rights Issue to a certain extent; (iii) the Irrevocable Undertaking given by Axioma Capital, together with the underwriting arrangement indicate the support from Axioma Capital to the Group's financial needs; (iv) there is no cost incurred to the Company for the underwriting arrangement which is favourable to the Company; (v) the Rights Issue would strengthen the capital base and financial position of the Group; (vi) the Subscription Price is acceptable and in line with recent market transactions as discussed in the section headed "3.5 Comparable analysis with recent rights issue exercises" above; and (vii) the Compensatory Arrangements and the Placing are on normal commercial terms, fair and reasonable as discussed in the section headed "4. The Compensatory Arrangements, the Placing Agreement and the Underwriting Agreement" above, we are of the view that although the entering of the Underwriting Agreement is not in the ordinary and usual course of the Group's business, the Underwriting Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders (including the Independent Shareholders) as a whole.

5. Dilution effect of the Rights Issue on the Shareholding interests

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not take up the Rights Issue can, subject to the then-prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market. However, they should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

For those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue will be diluted by up to a maximum of approximately 33.3%. It should be noted that the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including but not limited to the results of acceptance of the Rights Issue.

Having considered (i) all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; (ii) the Qualifying Shareholders have the opportunity to sell their nil-paid rights to subscribe for the Rights Shares in the market if they do not wish to take up the Rights Issue entitlements; (iii) the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders; and (iv) the maximum dilution effect of shareholding of the Rights Issue of approximately 33.3% is lower than the average maximum dilution of approximately 45.4% of the Comparables, we are of the view that the potential dilution effect on the shareholding is acceptable and justifiable.

6. Potential financial effects of the Rights Issue

6.1 *Net tangible asset*

The unaudited pro forma statement of unaudited consolidated net tangible assets of the Group attributable to the owners of the Company adjusted for the effect of the Rights Issue as at 30 June 2025 (the "**Pro Forma Statement**"), which is prepared as if the Rights Issue had taken place on 30 June 2025, is set out under Appendix II to the Circular. According to the Pro Forma Statement, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 was approximately US\$201.05 million and would be approximately US\$242.54 million (based on 638,974,294 Rights Shares to be issued) as if the Rights Issue had taken place on 30 June 2025.

6.2 *liquidity*

The estimated net proceeds from the Rights Issue are expected to enhance the Group's current assets by approximately US\$41.49 million and the Rights Issue is expected to improve the Group's liquidity position immediately after its completion.

Having considered the above, we are of the view that the overall financial impact to the Group upon completion of the Rights Issue is in the interests of the Company and the Shareholders. We draw attention to the Shareholders and the Independent Board Committee that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Rights Issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered of the above principal factors and reasons, we consider that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and is in the interest of the Company and its Shareholders as a whole. We therefore advise that the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully,
for and on behalf of
AMASSE CAPITAL LIMITED
Stephen Lau
Director

Mr. Stephen Lau (“Mr. Lau”) is a licensed person registered with the SFC and a responsible officer of Amasse Capital Limited to carry out Type 6 (advising on corporate finance) and a representative of Amasse Capital Limited to carry out Type 1 (dealing in securities) regulated activities under the SFO. Mr. Lau is also a representative of Amasse Asset Management Limited licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. He has over 10 years of experience in the finance industry.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ircgroup.com.hk>):

- (i) annual report of the Group for the financial year ended 31 December 2024 (pages 126 to 198) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042500157.pdf>);
- (ii) annual report of the Group for the financial year ended 31 December 2023 (pages 124 to 202) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600101.pdf>); and
- (iii) annual report of the Group for the financial year ended 31 December 2022 (pages 125 to 204) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042703473.pdf>).

Set out below is a summary of the consolidated financial information of the Group for the financial years ended 31 December 2022, 2023 and 2024.

	For the year ended 31 December		
	2024	2023	2022
	US\$'000	US\$'000	US\$'000
	(audited)	(audited)	(audited)
Revenue	221,156	252,987	278,757
Operating expenses, excluding depreciation	(211,519)	(211,059)	(227,700)
Depreciation	(17,600)	(19,489)	(23,674)
Net impairment losses	–	(163,890)	(103,169)
Other income, gains and losses	(4,120)	3,685	(3,893)
Allowance for financial assets measured at amortised costs	(119)	(24)	(331)
Finance costs	(7,666)	(8,781)	(8,530)
Loss before tax	(19,868)	(146,571)	(88,540)
Income tax expense	(643)	(10,318)	700
Loss for the year	(20,511)	(156,889)	(87,840)
Loss for the year attributable to:			
– Owners of the Company	(20,491)	(156,809)	(87,896)
– Non-controlling interests	(20)	(80)	56
	(20,511)	(156,889)	(87,840)
Loss per share ^(Note 1)			
Basic and diluted			
(US cents per share)	(0.23)	(1.82) ^(Note 2)	(1.17) ^(Note 2)

Notes:

1. Loss per share is calculated without taking into account the share consolidation which took effect on 27 June 2025 where every ten (10) issued ordinary shares of the Company were being consolidated into one (1) ordinary share.
2. The weighted average number of ordinary shares for the purpose of basic and diluted earnings/loss per share had been adjusted to reflect the 2024 Rights Issue.

The management discussion and analysis of the Company for each of the financial years ended 31 December 2022, 2023 and 2024 are disclosed in the annual reports of the Company for the financial years ended 31 December 2022, 2023 and 2024, respectively.

There was no payment of dividends for each of the financial years ended 31 December 2022, 2023 and 2024. Hence dividends per Share for each of the financial years ended 31 December 2022, 2023 and 2024 was inapplicable.

Save as disclosed above, there are no material items of income or expense which are material in each of the financial years ended 31 December 2022, 2023 and 2024.

The auditors of the Company for each of the financial years ended 31 December 2022, 2023 and 2024 was RSM Hong Kong. No modified or qualified opinion had been issued by the auditors of the Group in respect of the Group's audited consolidated financial statements for each of the financial years ended 31 December 2022, 2023 and 2024.

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

Borrowings

As at 31 October 2025, the Group had an aggregate outstanding borrowings of approximately US\$28.1 million, which are secured by (i) a charge over the property, plant and equipment of the Group with net book value of approximately US\$51 million; (ii) 100% equity share of Kapucius Services Limited in LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of the Group.

Mortgages and charges

As at 31 October 2025, certain property, plant and equipment of the Group; 100% equity share of Kapucius Services Limited; and the rights of certain bank accounts of the Group were pledged as security for the Group's borrowings which amounted to approximately US\$28.1 million.

Lease liabilities

As at 31 October 2025, the Group had lease liabilities of approximately US\$0.2 million for the properties leased for its own use, which were unsecured and unguaranteed.

Contingent liabilities

As at 31 October 2025, the Group had no material contingent liabilities. Save as aforesaid, as at the close of business on 31 October 2025, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the effects of the Rights Issue (in the absence of any unforeseen circumstances) and the financial resources available to the Group (including internally generated funds and available facilities), the Group will have sufficient working capital for its present requirements and for at least the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

Saved as disclosed in the paragraphs headed “5. Business Trend and Financial and Trading Prospect of the Group” below in this Appendix I, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is principally engaged in the mining business and the production and development of iron ore concentrate. The Group’s main revenue source comes from the sales of 65% iron ore concentrate produced at the K&S mine. K&S comprises of two main deposits, Kimkan and Sutara. The Kimkan operation has two key ore zones — Central and West. Mining works were originally performed only at the Kimkan Central pit. As the development of the Kimkan Central pit advances, mining at Kimkan was mostly conducted at the Kimkan West pit, which has lower grades of iron ore magnetic properties than Kimkan Central. As the reserves at Kimkan deplete, the poorer quality of ore, coupled with rising stripping ratio, resulted in falling yield and efficiency in the beneficiation process of K&S. Consequently, K&S only managed to produce at 75% of its capacity in 2024.

As disclosed in the annual report of the Company for the year ended 31 December 2024, reported a non-HKFRS adjusted underlying loss of US\$15 million for the year ended 31 December 2024, compared to previous year's underlying profit of US\$9 million. This outcome was primarily driven by the declining iron ore prices, reducing production volume, payment of Russia's temporary export duties, and rising production costs following high inflation rate in Russia. The average 65% iron ore price during the year fell by 6.6% from the previous year, which significantly affected the revenue streams of the Company. Additionally, due to the ore quality issues hampering production, the sales volume of the Company was 7.4% lower.

However, the successful commissioning of the mine site in Sutara in July 2024 is a game-changer. The Group expects the Sutara site to underpin future recovery, boosting production efficiency by resolving the ore quality issues which had been affecting the Group's operation. Sutara deposit, which has a life-of-mine of over 30 years, will provide long-term ore supply for K&S. After its commissioning in the second half of 2024, its positive impact is already evident. In the first half of 2025, the K&S plant achieved an average operating capacity of approximately 90%, a substantial improvement compared to the 72% average capacity over the same period last year. This upward trend in capacity utilisation reflects the Company's commitment to enhancing production efficiency and underscores Sutara's potential to contribute significantly to the Group's overall output in the coming years.

In the coming years, the Company will prioritise the development of the Sutara complex, including the commissioning of the crushing and screening plant at Sutara, to reduce long-term costs. Further, the Company is working on different options of K&S plant strategic modernisation to achieve increase in production volume. The Company is cautious amid volatile global iron ore prices, currency appreciation impact, geopolitical tensions, and Russian trade sanction risk, but aims to strengthen resilience through cost optimisation and reducing its reliance on third party mining contractors by setting up its own mining fleet.

**A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS**

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix D1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2025.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2025, adjusted for the effect of the Rights Issue as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 (Note 1) US\$'000	Estimated net proceeds from the Rights Issue (Note 2) US\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2025 US\$'000
201,047	41,490	242,537
Unaudited consolidated net tangible assets per existing share before completion of the Rights Issue (Note 3)		US\$0.16
Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue (Note 4)		US\$0.13

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 are based on the consolidated net assets attributable to the owners of the Company in the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 which is extracted from the published interim report of the Group for the six months period ended 30 June 2025 and after deducting exploration and evaluation assets of US\$14,029,000.
2. The estimated net proceeds from the Rights Issue are based on 638,974,294 Rights Shares to be issued on the basis of one (1) Rights Share for every two (2) existing shares at the Subscription Price of HK\$0.51 per Rights Share, after deduction of the professional fee and other related expenses payable by the Company of approximately HK\$2.3 million.
3. Based on 1,277,948,588 existing shares in issue as at 30 June 2025 before the Rights Issue.
4. Based on 1,916,922,882 shares, on which 1,277,948,588 existing shares and 638,974,294 Rights Shares were in issue as at 30 June 2025, assuming that the Rights Issue had been completed on 30 June 2025.
5. For the purpose of preparation of the Unaudited Pro Forma Financial Information, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.
6. For the purpose of preparation of the Unaudited Pro Forma Financial Information, the exchange rate used for US\$ to HK\$ is US\$1 equivalent to HK\$7.8 and vice versa.

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.

25 November 2025

The Board of Directors
IRC Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of IRC Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2025 as set out on pages II-1 to II-2 of the circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II to the circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one (1) rights share for every two (2) existing shares (the “**Rights Issue**”) on the Group’s net tangible assets as at 30 June 2025 as if the transaction had been taken place at 30 June 2025. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s unaudited condensed consolidated financial information as included in the interim report of the Group for the six months period ended 30 June 2025, on which a review report has been published.

Directors’ Responsibility for the Unadjusted Pro Forma Financial Information

The Directors are responsible for compiling the unadjusted pro forma financial information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

RSM Hong Kong
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to the Underwriter and parties acting in concert with it) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL**(i) As at the Latest Practicable Date**

The Company has no authorised share capital and its Shares have no par value. The issued share capital of the Company as at the Latest Practicable Date were, and following completion of the Rights Issue, are expected to be as follows:

Issued and fully paid Shares:

1,277,948,588 Shares (as at the Latest Practicable Date)

Maximum number of Rights Shares to be issued upon completion of the Rights Issue:

638,974,294 Shares (assuming no change in the number of Shares in issue on or before the Record Date)

Issued Shares upon completion of the Rights Issue:

1,916,922,882 Shares (assuming no new Shares (other than the Rights Shares) will be issued on or before completion of the Rights Issue)

In the period between 31 December 2024 (being the date to which the Company's latest published audited accounts were prepared) and the Latest Practicable Date, the Company did not issue any Shares.

All the Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No new class of securities of the Company will be listed. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

None of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(i) **Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations**

As at the Latest Practicable Date, the interest and the short positions the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Models Code**”):

Long position in the Shares

Name	Nature of interest	Number of Shares	Shareholding (Approximate %) (Note 1)
Nikolai Levitskii	Interest in a controlled corporation	830,101,285 (Note 2)	64.96%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,277,948,588 ordinary Shares in issue as at the Latest Practicable Date.
2. These Shares were held by the Underwriter, which is wholly, ultimately and beneficially owned by Nikolai Levitskii. He is therefore deemed to be interested in the shares of the Company held by the Underwriter under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Substantial shareholders and other persons' interest and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had, or was deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as required in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange, or, who is, directly or indirectly, interested in ten per cent. or more of the issuer voting shares of any other member of the Group:

Long position in the Shares

Name	Capacity	Number of Shares	Shareholding (Approximate %) (Note 1)
The Underwriter	Beneficial Owner	830,101,285 (Note 2)	64.96%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,277,948,588 ordinary Shares in issue as at the Latest Practicable Date.
2. These Shares were held by the Underwriter, which was which is wholly, ultimately and beneficially owned by Nikolai Levitskii, a non-executive Director and the chairman of the Board.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as required in the register required to be kept by the Company under Section 336 of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the issuer voting shares of any other member of the Group.

As at the Latest Practicable Date, so far as known to the Directors and save as disclosed in this paragraph headed "3. Disclosure of Interests" in this Appendix III, no Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which would not expire or was not determinable within one year without payment of compensation, other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors had any business or interest that competes or may compete with the business of the Group and had any other conflict of interest with the Group

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. Nevertheless, the Company entered into the Underwriting Agreement with the Underwriter, a controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules. Mr. Levitskii, the non-executive Director and chairman of the Board is the sole beneficial owner of the Underwriter, and as such he has abstained from voting at the meeting of the Board convened to consider the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group, were entered into by members of the Group after the date falling two years immediately preceding the issue of this circular and up to and including the Latest Practicable Date and which are or may be material:

- (i) the equity transfer agreement dated 28 July 2025 entered into between Ariva HK Limited ("**Ariva HK**"), a wholly-owned subsidiary of the Company, as seller, and Heilongjiang Xianglong International Trade Co., Ltd. (黑龍江祥龍國際貿易有限公司) ("**Xianglong Steel**"), as purchaser, pursuant to which Ariva HK agreed to sell and Xianglong Steel agreed to acquire 46% of the equity interest in Heilongjiang Jianlong Vanadium Industries Co., Ltd. (黑龍江建龍鈮業有限公司) at a consideration of RMB32.2 million (equivalent to approximately US\$4.5 million);

- (ii) the Placing Agreement; and
- (iii) the Underwriting Agreement (including the Irrevocable Undertaking).

8. LITIGATION

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. EXPERTS AND CONSENTS

The qualifications of the experts who have given opinions, letters or advice contained in this circular are set out below:

Name	Qualification
Amasse Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
RSM Hong Kong	Certified public accountants

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, each of the above experts was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, the Placing Agreement and the Underwriting Agreement, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$2.3 million.

11. DIRECTORS AND SENIOR OF MANAGEMENT OF THE COMPANY**(a) Business Addresses**

The business address of all the Directors and senior management is the same as the address of the Company's principal place of business at 6H, 9 Queen's Road Central, Central, Hong Kong.

(b) Biographical Details**Mr. Nikolai Valentinovich Levitskii**

Chairman, Non-executive Director

Mr. Levitskii, aged 53, is the general director of Axioma Capital. Axioma Capital is the largest shareholder of the Company and is wholly owned by Mr. Levitskii. Mr. Levitskii has spent more than 30 years in the sectors of mining, oil and gas and banking in Russia. Mr. Levitskii was the President and Co-Founder of JSC "Geotech Holding" from 2007 to 2016 and the General Director of CJSC "Mineral and chemical company 'EuroChem'" from 2001 to 2003. Mr. Levitskii received a bachelor's degree in Business Administration in Economic Sciences from the Voznesenski Leningrad Institute of Economics and Finance (renamed as Saint Petersburg State University of Economics and Finance). Mr. Levitskii has joined the Company as a non-executive Director since March 2022 and has been designated as the chairman of the Board since May 2022.

Mr. Denis Vitalievich Cherednichenko

Executive Director and Chief Executive Officer

Mr. Cherednichenko, aged 48, has more than 25 years of experience in management at oil and gas and medical technology groups and acted also as an in-house legal counsel as well as the Vice President of Medical Systems, a pharmaceutical and medical equipment supplies company in Russia, and the CEO of a medical equipment company. He was the CEO of JSC Rusatom Healthcare, Enterprise of State Corporation Rosatom, a radiopharmaceuticals company in Russia. He holds a Law degree from the Ural State Law Academy in Russia, a Master of Laws from the University of Manchester in the United Kingdom and a Master Degree from the Academy of National Economy under the Government of the Russian Federation. Mr. Cherednichenko was appointed as an executive Director and the Chief Executive Officer in July 2022.

Mr. Dmitry Vsevolodovich Dobryak*Independent non-executive Director*

Mr. Dobryak, aged 56, has more than 30 years of financial management, accounting, business development and administrative experience. His previous roles include CFO of Impulse M, a Moscow based start-up from 2019 to 2020 and CFO of Titan Automotive Solutions, an automotive communications solutions company in Belgium from 2020 to 2021. He is a US qualified certified public accountant, holds a BA in Foreign Trade and International Economics from the Moscow State Institute of International Relations in Russia and a Master of Business Administration from the Crummer Graduate School of Business at Rollins College in the United States. Mr. Dobryak was appointed as an independent non-executive Director in March 2022.

Mr. Alexey Mihailovich Romanenko*Independent non-executive Director*

Mr. Alexey Mihailovich Romanenko, aged 48, is the Senior Partner and Chairman of the Board of Directors of NEO Center. Mr. Romanenko has more than 20 years of experience in management consulting, auditing, and financial management. His previous roles include Managing Director of Alvarez and Marshal LLP, Partner and Head of Management Consulting of KPMG Russia and CIS and Audit Partner of KPMG Russia and CIS. Mr. Romanenko is a fellow member of the ACCA. Mr. Romanenko was appointed as an independent non-executive Director in May 2022.

Mr. Vitaly Georgievich Sheremet*Independent non-executive Director*

Mr. Vitaly Georgievich Sheremet, aged 49, has more than 20 years of extensive experience in auditing and risk management. His previous roles include Audit and Advisory Partner of KPMG Russia and CIS and Audit and Risk Management Partner of BDO Russia. Mr. Sheremet also served as an independent director on several boards in the Russian Federation. Mr. Sheremet was appointed as an independent non-executive Director in May 2022.

Ms. Natalia Klimentievna Ozhegina*Independent non-executive Director*

Ms. Natalia Klimentievna Ozhegina, aged 55, is the Professor of Business Practice of the International Institute for Energy Policy and Innovation Management, MGIMO Ministry of Foreign Affairs of the Russian Federation and Lecturer of Moscow Business School (Skolkovo). Ms. Ozhegina has more than 30 years of experience in public administration, law and human resources. Her previous roles include the Deputy General Director of PJSC Russian Grids for Human Resources Management and the Deputy Chairman of the Management Board of PJSC Federal Grid Company. Ms. Ozhegina is a lawyer qualified in Russia. Ms. Ozhegina was appointed as an independent non-executive Director in May 2022.

Mr. Danila Kotlyarov*Chief Financial Officer*

Mr. Kotlyarov, aged 47, joined the Group (previously known as LLC Petropavlovsk-Iron Ore, and LLC Aricom) in 2005 as Finance Director, a role which transferred to IRC in 2010. He worked in various senior management positions at IRC until February 2020 when he joined Petropavlovsk PLC, a substantial shareholder of IRC at that time, as CFO and became a Non-Executive Director of IRC. In early 2022, Mr. Kotlyarov relinquished the Petropavlovsk CFO position to become an advisor of Petropavlovsk PLC. In May 2022, Mr. Kotlyarov resigned as an Executive Director of the Company but remained as the CFO of the Company. Mr. Kotlyarov also serves as a director of several of the Group's subsidiaries. Mr. Kotlyarov is a fellow of the ACCA and a holder of the Chartered Financial Analyst.

Mr. Johnny Shiu Cheong Yuen*Finance Director (Hong Kong) and Company Secretary*

Mr. Yuen, aged 52, is the Finance Director (Hong Kong) and Company Secretary of the Company. He is also the Authorised Representative of the Company. Mr. Yuen joined IRC in 2010 before the listing of the Company and has been serving in various senior positions of the Company. He headed up the finance function of the Group from the beginning of 2020, and in May 2022 was redesignated as Finance Director (HK) and Company Secretary. Mr. Yuen began his career in KPMG and has over 25 years of financial management, accounting, auditing and administration experience, including working in various senior positions of listed companies in Hong Kong. He is a fellow member of the HKICPA and the ACCA. He holds a MBA from the Manchester Business School of University of Manchester. He is an independent non-executive director of G-Vision International (Holding) Limited (stock code: 00657).

12. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office and head office	6H, 9 Queen's Road Central, Central District, Hong Kong
Authorised representative	Mr. Denis Vitalievich Cherednichenko 6H, 9 Queen's Road Central, Central District, Hong Kong Mr. Johnny Shiu Cheong Yuen 6H, 9 Queen's Road Central, Central District, Hong Kong
Company secretary	Mr. Johnny Shiu Cheong Yuen <i>Fellow Member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants</i>
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law:</i> Chiu & Partners 40/F, Jardine House 1 Connaught Place Hong Kong
Auditors and reporting accountant	RSM Hong Kong <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 29th Floor, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong
Principal banker	Bangkok Bank Public Company Limited 28 Des Voeux Road Central, Central, Hong Kong
Share registrar and transfer office	Union Registrars Limited Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong

**Independent Financial
Adviser to the
Independent Board
Committee and the
Independent
Shareholders**

Amasse Capital Limited
Room, 1201, Prosperous Building
48-52 Des Voeux Road Central
Hong Kong

Placing Agent

First Shanghai Securities Limited
19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Underwriter

Axioma Capital FZE LLC
BLA-BR3-382
Ajman Media City
Ajman, United Arab Emirates

13. GENERAL

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.ircgroup.com.hk), the Stock Exchange (www.hkexnews.hk) from the date of this circular for at least 14 days and including the date of the EGM:

- (i) the report from RSM Hong Kong on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (ii) the written consents of the experts as referred to in the paragraph headed “9. Experts and Consents” in this Appendix III; and
- (iii) the material contracts referred to in the paragraph headed “7. Material Contracts” in this Appendix III.

NOTICE OF EGM



IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**” or the “**EGM**”) of IRC Limited (the “**Company**”) will be held at Hong Thai Expo and Business Centre, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 16 December 2025, at 2:30 p.m. to consider and, if thought fit, pass the following resolutions of the Company. Unless otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the company dated 25 November 2025 (the “**Circular**”):

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the fulfilment of all conditions as set out in the section headed “Letter from the Board — Proposed Rights Issue — Conditions of the Rights Issue” in the circular of the Company dated 25 November 2025:
 - (a) the Underwriting Agreement dated 24 October 2025 (“**Underwriting Agreement**”) signed between the Company and Axioma Capital FZE LLC (“**Underwriter**”) (a copy of the Underwriting Agreement marked “A” has been produced to this Meeting and initialled by the chairman of this Meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
 - (b) the issue by way of rights issue (“**Rights Issue**”) of not more than 638,974,294 new ordinary Shares (“**Rights Shares**” and each a “**Rights Share**”), on the basis of one (1) Rights Share for every two (2) existing ordinary shares held by the shareholders of the Company (“**Shareholders**”) on Tuesday, 30 December 2025 (the “**Record Date**”) (or such other date as may be agreed between the Company and the Underwriter for determining entitlements of Shareholders to participate in the Rights Issue), at a subscription price of HK\$0.51 per Rights Share (“**Subscription Price**”) to Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date (“**Qualifying Shareholders**”), save for overseas Shareholders to whom the directors of the Company (“**Directors**”), based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares (“**Non-Qualifying Shareholders**”) on account either

NOTICE OF EGM

of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), and substantially on the terms and conditions set out in the Circular (a copy of the Circular marked “B” has been produced to this Meeting and initialled by the chairman of this Meeting for the purpose of identification) and such other terms and conditions as may be determined by the Directors, be and is hereby approved, confirmed and ratified;

- (c) the placing agreement dated 24 October 2025 (“**Placing Agreement**”) entered into between the Company and First Shanghai Securities Limited (“**Placing Agent**”) in relation to the placing of those Rights Shares that are not successfully sold by the Company (“**Unsubscribed Rights Shares**”) and/or the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form (“**NQS Unsold Rights Shares**”) at the placing price of not less than the Subscription Price on a best effort basis (a copy of the Placing Agreement marked “C” has been produced to this Meeting and initialed by the chairman of this Meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (d) the board of Directors (“**Board**”) or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue in accordance with the terms set out in the Circular;
- (e) the Board or a committee thereof be and is hereby authorised to make such other exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and generally to do such things or make such arrangements as it may think fit to effect the Rights Issue; and
- (f) any one or more Director(s) be and is/are hereby authorised to do all such acts and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Underwriting Agreement, the Placing Agreement and any transactions contemplated thereunder.”

On behalf of the Board
IRC Limited
Denis Cherednichenko
Chief Executive Officer

Hong Kong, 25 November 2025

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For further information, please visit www.ircgroup.com.hk or contact:

Mr. Johnny Yuen

Finance Director (HK) and Company Secretary

Telephone: +852 2772 0007

Email: jy@ircgroup.com.hk

IRC Limited

6H, 9 Queen's Road Central

Hong Kong

Tel: +852 2772 0007

Email: ir@ircgroup.com.hk

Website: www.ircgroup.com.hk

Notes:

1. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the EGM will therefore put each of the resolutions to be proposed at the EGM to be voted by way of poll in accordance with the articles of association of the Company. Treasury shares, if any, registered in the name of the Company, shall have no voting rights at the EGM. For the avoidance of doubt, treasury shares, if any, pending withdrawal from and/or transfer through CCASS, shall not bear any voting rights at the EGM.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. In order to be valid, a proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar (i.e. Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong) as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. 2:30 p.m. on Sunday, 14 December 2025) or any adjournment thereof. Delivery of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the proxy form shall be deemed to be revoked.
4. To ascertain Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 10 December 2025 to Tuesday, 16 December 2025 (both days inclusive) during which period no Share transfer will be effected. The record date for determining the entitlement of the Shareholders to attend and to vote at the EGM will be Tuesday, 16 December 2025. In order to qualify for attending and voting at the EGM, unregistered holders of Shares should ensure that all completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's Share Registrar, Union Registrars Limited (at its address shown in Note 3 above), for registration no later than 4:00 p.m., on Tuesday, 9 December 2025.
5. References to time and dates in this Notice are to Hong Kong time and dates.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 11:30 a.m. on the date of the Meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.ircgroup.com.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.
7. In case of discrepancy between the English version and the Chinese version of this notice of the EGM, the English version shall prevail.

As at the date of this notice, 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.