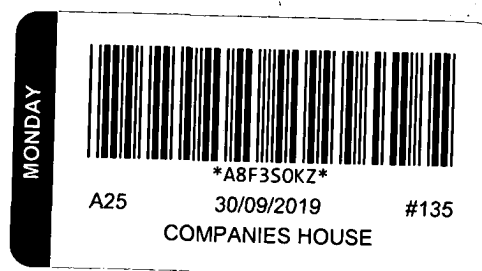


Aricom Limited

**Annual Report and Financial Statements
for the year ended 31 December 2018**

Registered Number: 4897906



ARICOM LIMITED
Annual Report and Financial Statements for the year ended 31 December 2018

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ARICOM LIMITED
Directors and Advisers

Directors

Danila KOTLYAROV
Shiu Cheong Johnny YUEN

Company Secretary and Registered Office

Amanda Whalley
10-11 Grosvenor Place
London
SW1X 7HH

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

ARICOM LIMITED
Directors' Report (continued)

The Directors present their report on the affairs of Aricom Limited ("the Company"), together with the financial statements and auditor's report, for the year ended 31 December 2018. The Company acts as an investment holding company. The principal activities of its investment are set out in note 8. The company intends to continue its current activity in the foreseeable future.

The Directors' Report has been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies entitled to the small companies exemption.

Review of Activities

The Company is a wholly-owned subsidiary of IRC Limited group. On 7 August 2015, Petropavlovsk PLC ceased being the ultimate holding company of Aricom Ltd following the right issue completed by IRC to which Petropavlovsk PLC did not subscribe. Its equity interest in IRC was diluted to 35.83%. As a result, the Directors consider that IRC Limited has been the ultimate holding company of the Company with effect from 7 August 2015.

These financial statements have been prepared for the year ended 31 December 2018. The main activities of the Company during the year were those of a holding company.

The Company has no employees as it is believed that the Directors have the necessary skills and knowledge to fulfil the aimed activities of the Company.

The Company does not have any social and community issues or environmental matters due to the scope of its activities. The information relevant to the Company's subsidiaries is disclosed in IRC Limited accounts which are publicly available at www.ircgroup.com.hk.

The Company's Directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

No dividend was paid during the year (2017: no dividend paid during the year)

No charitable or political donations were made during the year.

The Directors are not aware of any significant events since the balance sheet date.

Going Concern Basis

The Directors have considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate. In reaching this conclusion, the Directors have specifically considered the Company's relationship with its ultimate parent company and subsidiaries of IRC Group. Further details are set out in note 2 to the financial statements.

The Directors have reviewed the Company's financial position as at 31 December 2018, and operating projections as part of their consideration of going concern. As at 31 December 2018, the Company has net current assets of US\$29,493 thousand (2017: US\$23,203 thousand). The future cash flow and operating projections are primarily subject to the financing activity with the subsidiaries, joint ventures and associates of the IRC group, these arrangements allow the Company to generate sufficient cash flows to cover its on-going expenses.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the accounts. In view of the above, the Directors continue to adopt the going concern basis in preparing these financial statements.

The Directors of the Company have considered the developments since the date of signing of the Group consolidated interim financial statements and concluded that there has been no significant change in circumstances.

ARICOM LIMITED
Directors' Report (continued)

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company would consider using foreign exchange forward contracts and interest rate swap contracts to hedge these exposures but it currently has not hedged any of these exposures.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its other receivables. The Directors of the Company note that the application of the expected credit loss model of IFRS9 will result in earlier provision of credit losses which are not yet incurred in relation to the Company's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS9 from 1 January 2018.

Liquidity risk

Details regarding the liquidity risk can be found in the Statement of accounting policies in the financial statements.

Results

The profit for the year before taxation amounted to US\$11,011 thousand (2017: US\$5,249 thousand).

ARICOM LIMITED
Directors' Report (continued)

The Directors who served throughout the year except as noted, were as follows:

Danila KOTLYAROV
Shiu Cheong Johnny YUEN

Company Secretary
Amanda Whalley

Directors' indemnities

The Company has made no qualifying third-party indemnity provisions for the benefit of its Directors during the period or which remain in force at the date of this report other than the Directors' and Officers' insurance policy maintained by IRC Limited.

Auditor

Each of the persons who is a Director of the Company at the date of approval of this report confirms:

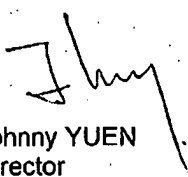
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put into place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approval

This report was approved by the Board of Directors of Aricom Limited and signed on its behalf by:


Johnny YUEN
Director

30 Sep 2019

ARICOM LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Aricom Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited (continued)

Matters on which we are required to report by exception

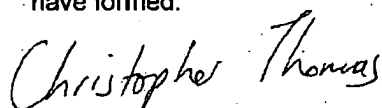
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Thomas ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 Sep 2019

ARICOM LIMITED
Profit and Loss Account
For the year ended 31 December 2018

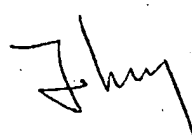
	Notes	2018 US\$'000	2017 US\$'000
Net operating expenses	3	(673)	(6,435)
Operating loss		(673)	(6,435)
Finance income	4	11,684	11,684
Profit on ordinary activities before taxation		11,011	5,249
Tax expense	7	(2,092)	(2,221)
Profit for the year		8,919	3,028

ARICOM LIMITED
Balance sheet
As at 31 December 2018

	Notes	2018 US\$'000	2017 US\$'000
Fixed assets			
Investments	8	132,916	-
		132,916	-
Current assets			
Debtors: due within one year	9	54,062	45,659
Cash at bank and in hand		-	67
		54,062	45,726
Current liabilities			
Creditors: amounts falling due within one year	10	(24,569)	(22,523)
		(24,569)	(22,523)
Net current assets		29,493	23,203
Total assets less current liabilities		162,409	23,203
Net assets		162,409	23,203
Capital and Reserves	11		
Called up share capital		2,484	2,471
Share premium		290,453	157,550
Other reserves		242,871	242,871
Accumulated losses		(373,399)	(379,689)
Shareholders' Funds		162,409	23,203

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Aricom Limited, registered number 4897906 were approved by the Board of Directors and authorised for issue on 30 Sep 2019 and signed on their behalf by



Johnny YUEN
 Director

ARICOM LIMITED
Statement of changes in equity
For the year ended 31 December 2018

	Share Capital US\$'000	Share Premium US\$'000	Profit and loss account US\$'000	Other reserves US\$'000	Total US\$'000
Balance at 1 January 2017	2,471	157,390	(382,717)	242,871	20,015
Total comprehensive profit	-	-	3,028	-	3,028
Issue of ordinary shares (note 11)	0	160	-	-	160
Balance at 31 December 2017	2,471	157,550	(379,689)	242,871	23,203
Adjustment upon application of IFRS9 (note 2)	-	-	(2,629)	-	(2,629)
Balance at 1 January 2018	2,471	157,550	(382,318)	242,871	20,574
Total comprehensive profit	-	-	8,919	-	8,919
Issue of ordinary shares (note 11)	13	132,903	-	-	132,916
Balance at 31 December 2018	2,484	290,453	(373,399)	242,871	162,409

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

1 General information

Aricom Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in United Kingdom (England and Wales) on 12 September 2003. The address of the registered office is 10-11 Grosvenor Place, London, SW1X 7HH. The Company's immediate holding company is Thorholdco Limited, a company incorporated in Cayman Islands.

At 31 December 2018, the Company's ultimate holding company was IRC Limited, a company incorporated and listed in Hong Kong with registered office at 6H, 9 Queen's Road Central, Central, Hong Kong (note 12 & 13). IRC Limited and its subsidiaries are hereinafter referred to as the "IRC group".

The Company is a wholly owned subsidiary of IRC group, and is included in the consolidated financial statements of IRC Limited, which are publicly available at www.ircgroupp.com.hk. The Company has taken advantage of the exemption from preparing consolidated financial statements under s401 of the Companies Act 2006.

The Company acts as an investment holding company. The principal activities of its investments is set out in note 8.

These financial statements are presented in United States dollars, which is also the functional currency of the ultimate holding company.

2 Summary of significant accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, related party transactions, the statement of compliance with Adopted IFRSs and disclosures in respect of capital management.

A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently throughout the reporting period.

The Company is a wholly owned subsidiary of IRC group and is included in the consolidated financial statements of IRC Limited, which are publicly available. The Company has taken advantage of the exemption from preparing consolidated financial statements under s401 of the Companies Act 2006.

These financial statements have been prepared on the historical cost basis.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

2 Summary of significant accounting policies (continued)

Going concern

The Directors have reviewed the Company's financial position as at 31 December 2018, and operating projections as part of their consideration of going concern. As at 31 December 2018, the Company has net current assets of US\$29,493 thousand (2017: US\$23,203 thousand). The future cash flow and operating projections are primarily subject to the financing activity with the subsidiaries, joint ventures and associates of the IRC group, these arrangements allow the Company to generate sufficient cash flows to cover its on-going expenses.

As explained in consolidated interim accounts of IRC Ltd the Group performed an assessment of the forecast cash flows for the period of 15 months from the period ended 30 June 2019 for the Half Year Report. As at 30 June 2019, the Group had sufficient liquidity headroom and is also satisfied that it has sufficient headroom under a base case scenario for the period to October 2020.

As at 30 June 2019, the Group has outstanding amounts owed to Gazprombank. The outstanding loan principal was US\$234 million as at 30 June 2019. The assessment of whether there is any material uncertainty that IRC will be able to repay this facility as it falls due is another key element of the Group's overall going concern assessment. IRC projections demonstrated that IRC expects to have sufficient liquidity over the next 12 months and expects to meet its obligations under the Gazprombank Facility. If a missed repayment under debt or guarantee obligations occurs which, if not remedied by the Group, would result in events of default which could cause the Group's debt arrangements to become repayable on demand.

If the market conditions turn out to be significantly less favourable to the Group than predicted, the Group may not have sufficient working capital to finance its operations and loan repayments resulting in its financial liquidity being adversely impacted. The Group would need to carry out contingency plans including entering into negotiations with banks or other investors for additional debt or equity financing. The Group believes it has sufficient liquidity based upon the expected cash to be generated from operations to meet its financial obligations as they fall due for the coming twelve months.

After making enquiries and considering the uncertainties, the Directors concluded there was a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the consolidated interim accounts.

The directors of the Company have considered the developments since the date of signing of the Group consolidated interim financial statements and concluded that there has been no significant change in circumstance. In view of the above, the Directors continue to adopt the going concern basis in preparing these financial statements.

Finance costs

Finance costs of financial liabilities are measured by using the effective interest rate method and recognised in the profit and loss account

Finance income and expense

Interest is accounted when the financial assets are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

2 Summary of significant accounting policies (continued)

Foreign currencies

Transactions denominated in currencies other than the functional currency, including the issue of shares, are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities that are denominated in currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date. Exchange differences are charged or credited to the profit and loss account in the year in which they arise.

Foreign currencies (continued)

The rates of exchange used to translate monetary assets and liabilities denominated in foreign currencies into US Dollars are set out below.

	31 December 2018	31 December 2017
GB Pounds Sterling	0.75	0.77

Financial assets and liabilities

Financial assets and financial liabilities are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

From 1 January 2018, the Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises an impairment loss in profit and loss account with a corresponding adjustment to carrying amount of financial assets.

Debtors

Debtors are measured on initial recognition at fair value, and are subsequently measured at cost less allowances for estimated irrecoverable amounts. From 1 January 2018, the Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises an impairment loss in profit and loss account with a corresponding adjustment to carrying amount of financial assets.

Investments

Investments in subsidiary undertakings are initially measured at cost, including transaction costs, and subsequently carried at cost less provision for impairment. Investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. An impairment loss is recognised if the carrying amount of the investment exceeds the higher of net realisable value and the discounted future earnings from the investment.

Cash at bank and in hand

Cash at bank and in hand comprises cash on hand held by the Company and short-term bank deposits with an original maturity of three months or less.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

2 Summary of significant accounting policies (continued)

Taxation including deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the date of financial position.

Adoption of new and revised standards and interpretations

From 1 January 2018 IFRS 9, 'Financial Instruments' amendments are effective in the Company's Financial Statements.

The Company applied the modified retrospective transition approach and has not restated comparative information on the initial application of IFRS 9. The impact of adoption of IFRS 9 is detailed below.

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities, and introduces new impairment model for financial assets. The new impairment model requires the recognition of impairment provision based on expected credit losses (ECL) rather than only incurred credit losses as under IAS 39. This may result in an earlier recognition of credit losses.

The impact of the impairment models changes on Company financial assets on the date of initial application is set out below:

	31 December 2017 Original US\$'000	1 January 2018 New under IFRS 9 US\$'000	Difference US\$'000
Owed by Group companies	45,726	43,097	2,629

Critical accounting judgements and key sources of estimation uncertainty

The company has no critical accounting judgements and one key source of estimation uncertainty for the above in relation to the recoverability of its loans and investments in subsidiaries of the IRC Group. At each balance sheet date, the Company reviews the carrying amounts of its equity investments and financial assets to determine whether there is any indication that those have suffered an impairment loss. Of Aricom Ltd's investments of \$133m and debtors of \$53m, \$133m and \$51m respectively are ultimately in relation to the K&S mine. The estimation uncertainty for those assets is based on the estimation uncertainty for the value of the underlying K&S mine as disclosed in the IRC Consolidated Financial Statements (note 4) with the key assumptions being the forecast iron ore price, ore reserve estimates and forecast production costs.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

3 Net operating expenses

	2018 US\$'000	2017 US\$'000
Impairment loss (note)	(669)	(6,431)
Written-off of bad debts (note)	-	(7)
Foreign exchange (loss) gain	(4)	3
Other operating expenses	0	0
Net operating expenses	(673)	(6,435)

(Note:

Aricom UK Limited ("AUK"), the wholly owned subsidiary of the Company, was in a net liabilities position after recognition of impairment of its investments in Kapucius and Rumier in 2015. The Company, then, fully impaired its investment in AUK. At 31 December 2017, the Company further recognised impairment charges of US\$193 thousand and US\$ 6,238 thousand against the investment in AUK and loan receivable from AUK respectively. The Company wrote off HMRC receivable of GBP4,731 as no longer available in the 2017 year.

By application of IFRS9, the provision of Expected Credit Loss ("ECL") at 1 Jan 2018 was US\$ 2,629 thousand and further ECL at 31 Dec 2018 was US\$ 669 thousand.)

The Company had no employees for the year ended 31 December 2018 (none for the year ended 31 December 2017).

4 Finance Income

	2018 US\$'000	2017 US\$'000
Investment income:		
Interest earned on amounts lent to subsidiaries of IRC group	11,684	11,684
Interest income on time deposit	-	0
Net finance income	11,684	11,684

5 Directors' emoluments

The Directors received no emoluments in respect of their services as Directors of the Company for the years ended 31 December 2018 and 2017. The Directors are also directors of IRC Limited and their remuneration in respect of their roles as directors of IRC Limited is set out in the annual report for IRC Limited for the years ended 31 December 2018 and 2017. The annual report is publicly available at www.ircgroup.com.hk

6 Auditor's remuneration

Auditor's remuneration for the audit of the Company's statutory accounts is set out in the Auditor's remuneration note in the annual report of IRC limited for the year ended 31 December 2018. The annual report is publicly available at www.ircgroup.com.hk

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

7 Taxation

The tax charge comprises:

	2018	2017
	US\$'000	US\$'000
Total tax charge	2,092	2,221

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/loss before tax is as follows:

	2018	2017
	US\$'000	US\$'000
Profit / (Loss) on ordinary activities before tax	11,011	5,249
Tax charge at the UK corporation tax rate of 19% (2017: 19.25%) (note)	2,092	1,010
<i>Effects of:</i>		
Non-deductible expenses	-	1,211
Losses claimed from Group tax relief	(2,092)	(2,221)
Consideration paid for Group losses surrendered	2,092	2,221
Total tax charge for the period	2,092	2,221

Note: The main rates of corporation tax substantively enacted at 31 December 2015 were 21% for the year started on 1 April 2014 and 20% for the year started on 1 April 2015. In the Summer Budget 2015, the government announced a reduction to the main rate to 19.25% for the years starting on 1 April 2017, 2018 and 2019 and to 18% for the year starting on 1 April 2020. In the 2016 Budget, the government announced a further reduction to the corporation tax main rate to 17% for the year starting on 1 April 2020

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2018

8 Investments

	Investments in IRC group subsidiaries US\$'000	Other Investments US\$'000	Total US\$'000
At 1 January 2017	-	-	-
Additions ^(a)	193	-	193
Impairment (note 3)	(193)	-	(193)
At 31 December 2017	-	-	-
At 1 January 2018	-	-	-
Additions ^(a)	132,916	-	132,916
Impairment (note 3)	-	-	-
At 31 December 2018	132,916	-	132,916

(a) During 2018, the Company contributed US\$132,916 thousand (2017: 193 thousand) to Aricom UK Limited by subscribing for 1,009,998 ordinary shares (2017: 1,487 ordinary shares) of Aricom UK Limited.

The Company has invested in the following IRC Limited group subsidiaries:

	Country of incorporation	Principal activity	Proportion of shares held
Aricom UK Limited ^(a)	England and Wales	Holding company	100% ordinary
Heilongjiang Jiatai Titanium Co., Limited ^(b)	People's Republic of China	Titanium project	100% ordinary

(a) registered office: 10-11 Grosvenor Place, London, SW1X 7HH, United Kingdom

(b) registered office: No.668, Chongqing Street, Dongfeng District, Jiamusi City, Heilongjiang Province, China

9 Debtors

	2018 US\$'000	2017 US\$'000
Debtors: amounts falling due within one year		
Amounts due from subsidiaries of IRC group	57,360	51,897
Other receivable	-	-
Impairment (Note 3)	(3,298)	(6,238)
Debtors: amounts falling due within one year	54,062	45,659

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10 Creditors

	2018 US\$'000	2017 US\$'000
Other creditors	1	1
Amounts due to subsidiaries of IRC group	24,458	22,522
	24,459	22,523

The Directors estimate that the carrying amount of creditors approximates their fair value.

11 Share Capital

	31 December 2018 No. of shares '000	US\$'000	31 December 2017 No. of shares '000	US\$'000
<i>Authorised</i>				
Ordinary shares of £0.0001 each	20,000,000	-	20,000,000	-
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.0001 each	13,347,270	2,484	13,246,270	2,471

Details of the ordinary shares in issue at the commencement of the year, ordinary shares issued during the year and ordinary shares in issue at the year-end are given in the table below:

Date	Description	Price GBP	No. of shares
1 January 2018	Number of ordinary shares in issue at the commencement of the year		13,246,270,685
25 September 2018	Ordinary shares issued at a premium	1.00000000663	100,999,870
31 December 2018	Number of ordinary shares in issue at the end of the year		13,347,270,555

On 25 September 2018 the company issued 100,999,870 shares with a nominal value of £0.0001 (\$0.00013) for £1.00000000663 (\$1.31578948241) giving an increase in share capital of \$13k and share premium of \$132,903k. The consideration was reflected against an existing intercompany balance.

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12 Related party transactions

The Company applied the exemption available under FRS 101 in relation to non-disclosure of transactions with wholly-owned subsidiaries of the IRC group.

On 7 August 2015, IRC Limited completed an equity fund raising exercise by way of an open offer to its qualifying shareholders. As Petropavlovsk PLC did not subscribe for the open offer shares it was entitled to, its equity interest in IRC was diluted to 35.83%. As a result, the Directors consider that IRC Limited became the ultimate holding company of the Company with effect from 7 August 2015.

For the years ended 31 December 2018 and 2017, Petropavlovsk PLC, which is a substantial shareholder of IRC group, and its subsidiaries are considered to be related parties. Mr. Peter Hambro and Dr. Pavel Maslovskiy, shareholder of Petropavlovsk PLC, are close family members of the directors of the IRC group, Mr. George Jay Hambro and Mr. Yury Makarov respectively.

Mr. Peter Hambro became director of IRC group on 26 July 2018 and Mr. George Jay Hambro resigned as a director of IRC group on 19 December 2018.

13 Parent undertaking

The Company's immediate parent is Thorholdco Limited, a company incorporated in Cayman Islands, and the ultimate controlling party is IRC Limited, a company incorporated in Hong Kong and registered office at 6H, 9 Queen's Road Central, Central, Hong Kong. The 2018 consolidated accounts of IRC group are publicly available at www.ircgroupp.com.hk.