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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the unaudited revenue and the unaudited gross profit of the Group for the year ended 31 March 2022 (the “**Financial Year**”) based on the latest management accounts would expect a significant increase from HK\$858.4 million and HK\$308.8 million for the year ended 31 March 2021 (the “**Last Corresponding Year**”) to approximately HK\$1,560.0 million and HK\$720.0 million in the Financial Year respectively.

The increase in revenue and gross profit under the Financial Year is principally due to our comparatively weak performance in the Last Corresponding Year. Since the outbreak of COVID-19 in both Mongolia and China in 2020, border closures of both countries took place frequently which impacted our coal export efficiency. Although the Group was also suffering from the temporary suspension of coal export to China under the COVID-19 pandemic from end of October to early December last year, we still managed to boost our coal export volume from Mongolia to China during the Financial Year.

The financial results of the Group for the Financial Year (“**2022 Annual Results**”) are yet to be finalized, in particular, the amount of a possible impairment loss on the Group’s Khushuut mine related assets and the fair value change of convertible notes. The review exercises for the impairment assessment of Khushuut mine related assets and the fair value change of convertible notes issued in March 2020 are still underway. These exercises will only be finished at an advanced stage shortly before the publication

of the 2022 Annual Results. The preliminary discounted cash flow model (the “**Financial Model**”) for the impairment assessment on the Khushuut mine related assets indicates that there may be a significant impairment loss due to certain key changes in its underlying assumptions. We have yet to conclude the impairment amount as it is still subject to further review by the independent auditor. Nevertheless, these accounting items are non-cash in nature and will not affect the cash flow of the Group.

The information contained in this announcement is a preliminary assessment made by the Board based on information currently available to the Group, including the latest unaudited consolidated management accounts, which have not been audited or reviewed by the independent auditor or the audit committee of the Company and is subject to adjustments or amendments. As the Company is still in the process of finalizing the 2022 Annual Results, actual audited financial information of the Group for the Financial Year may be different from what is disclosed in this announcement. The potential investors and the Shareholders are advised to read carefully the results announcement of the Group for the Financial Year, which will be released on 29 June 2022.

We will closely monitor the developments and publish further announcements as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Mongolia Energy Corporation Limited
Tang Chi Kei
Company Secretary

Hong Kong, 9 June 2022

As at the date of this announcement, the board of directors of the Company comprises nine directors, including Mr. Lo Lin Shing, Simon, Ms. Yvette Ong, Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai as executive directors, Mr. To Hin Tsun, Gerald and Mr. Tang Chi Kei as non-executive directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive directors.