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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).

Reference is made to the Company’s quarterly update announcement dated 3 October 2022 and the Company’s results announcement dated 31 October 2022 in relation to the audited consolidated financial statements for the year ended 31 March 2022 (together, the “**Announcements**”). Unless otherwise defined in this announcement, capitalised terms shall have the same meanings as defined in the Announcements.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group sold approximately 826,000 tonnes of clean coking coal for the six-month period ended 30 September 2022 (the “**Financial Period**”) which represented a significant increase as compared to 564,200 tonnes for the corresponding period last year (the “**Last Corresponding Period**”). Accordingly, the unaudited revenue and the unaudited gross profit of the Group for the Financial Period based on the latest management accounts would also expect to record a significant increase from HK\$941.0 million and HK\$430.0 million for the Last Corresponding Period to approximately HK\$1,866.2 million and HK\$798.5 million in the Financial Period respectively.

The increase in the sales of clean coking coal and hence an increase in revenue and gross profit under the Financial Period was principally due to the improvement of the border crossing policies of China and Mongolia, our effort to ramp up the coking coal production and to push our sales to the best of our effort during the Financial Period.

The financial results of the Group for the Financial Period (“**2022 Interim Results**”) are yet to be finalized, in particular, the impairment review 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 Interim Results. 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 merely 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. The Company is still in the process of finalizing the 2022 Interim Results. Detailed financial information and performance of the Group for the Financial Period will be disclosed in its interim results announcement which is expected to be published by the end of November 2022.

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

Shareholders 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, 8 November 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.