

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION MONGOLIA TAX PAYMENT

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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the Company’s announcements dated 21 August 2023, 7 November 2023 and 28 February 2024 (the “**Announcements**”). Unless otherwise defined in this announcement, capitalised terms shall have the same meanings as defined in the Announcements. As disclosed in the Announcements, in July 2023, MoEnCo received a notice of tax findings from the Mongolia General Tax Office for the tax period between 2017 and 2020 on certain tax items and the Additional Taxes payable by MoEnCo for the relevant period were approximately US\$52.1 million. Subsequently, MoEnCo filed an appeal notice against the tax findings. The Tax Dispute Resolution Committee of Mongolia (“**TDRC**”) hearing took place on 29 January 2024. At the hearing, the TDRC ordered reinvestigation of the Reinvestigation items. The reinvestigation results are yet to be known and the date of the TDRC rehearing has not been fixed.

In the meantime, MoEnCo received another demand letter from the Mongolian tax office on 6 May 2024 (the “**Demand Letter**”) that MoEnCo is required to pay additional taxes for the tax years from 2022 to 2024. The additional taxes amounted to approximately US\$51.7 million (“**New Additional Taxes**”) and relate mostly to the resources royalty tax. The Group strongly disagrees with the basis of calculation for such New Additional Taxes.

The Mongolian tax office demands payment of the New Additional Taxes by 6 May 2024. If MoEnCo does not comply with the payment demand, the tax office could take such actions including freezing the Mongolian bank accounts, assets and income and confiscating cash maintained and/or owned by MoEnCo. Having considered the immediate available financial resources to the Group, and if the Mongolian government insists on immediate settlement of the New Additional Taxes, it will have adverse impacts on the financial position and the operation of the Group. MoEnCo had by today sent a letter of complaint to the tax office opposing the tax office’s demand for immediate payment of the New Additional Taxes. It may take the matter to the Mongolian court for resolution. Currently, the Group is also seeking legal advice in respect of the New Additional Taxes as demanded under the Demand Letter.

Despite the above, the Company wishes to inform the Shareholders and potential investors that the Group has already made provisions for the New Additional Taxes in its financial statements.

The Company will make further announcement(s) to keep its shareholders and potential investors informed of any progress in due course as and when appropriate.

Shareholders and potential investors of the Company 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, 7 May 2024

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. Lo, James Cze Chung 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.