MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 276)

INSIDE INFORMATION IN RELATION TO THE MONGOLIAN TAX ISSUES

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).

References are made to the announcements of the Company dated 7 May 2024, 23 May 2024, 22 May 2025, 23 May 2025, 26 May 2025 and 25 June 2025 (the "**Announcements**") in relation to, among others, the Mongolian tax issues. Unless otherwise defined in this announcement, capitalised terms shall have the same meanings as defined in the Announcements.

The Company is pleased to announce that MoEnCo received confirmations on 1 July 2025 and 2 July 2025 respectively that all of its bank accounts have been released from its frozen status pursuant to a deferred payment proposal (the "**Proposal**") by MoEnCo to GTO. Pursuant to the Proposal, MoEnCo made a payment of Mongolian Tugrik ("**MNT**") 31.08 billion (approximately HK$72 million) to GTO through the relevant frozen account. Together with MNT 492.7 million (approximately HK$1.13 million) as disclosed in the announcement dated 23 May 2025, MoEnCo has made approximately MNT31.6 billion (approximately HK$73 million) to the GTO.

The Proposal is in response to GTO's immediate demand of payment in a total sum of MNT 120.8 billion (approximately HK$279 million) ("**Settlement Amount**") representing mostly the royalty tax payables for the tax years 2022 and 2023. Under the Proposal, MoEnCo agrees to make an initial payment of MNT 31.6 billion (approximately HK$73 million) to GTO before 30 June 2025, and the balance of the Settlement Amount shall be paid by six(6) instalments within six (6) months, including MNT 8.8 billion (approximately HK$20.3 million) to be deducted from the VAT refundable by the GTO. In order to secure payments under the Proposal, MoEnCo proposes to pledge approximately 996,000 tonnes of raw coking coal to the GTO as security. GTO agrees, upon receiving of the subsequent instalment payments by MoEnCo, it will unfreeze and release the relevant coal equivalent to the value of the payments made. The Proposal does not affect MoEnCo's rights of legal processes already taken in disputing the amount of taxes demanded. The funding for the payments of the Settlement Amount is by way of internal resources.

The Company would also like to inform the Shareholders and potential investors that the TDRC re-hearing regarding MoEnCo's tax disputes took place on 25 June 2025. We are given to understand that an oral ruling has been made in favour of the GTO. The TDRC's decision has no impact on the Group's profit and loss accounts as the Company believes that adequate tax provision has already been made. The TDRC indicated that a written decision will be provided to MoEnCo within 7 to 10 days. The Company will publish an announcement to report the TDRC decision as soon as possible upon receipt of the formal written decision.

The Company will update the Shareholders and potential investors of the Company informed of any progress and developments on tax issues 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, 2 July 2025

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