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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE DISCLAIMER OF AUDIT OPINION

References are made to the annual report of Mongolia Energy Corporation Limited (the ‘‘**Company**’’, and including its subsidiaries, the “**Group**”) for the year ended 31 March 2025 (‘‘**FY2025**’’) published on 24 July 2025 (the ‘‘**2025 Annual Report**’’) and the announcements of the Company dated 2 July 2025 and 11 September 2025 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the 2025 Annual Report and the Announcements.

As disclosed in the 2025 Annual Report, the Auditor did not express an opinion on the consolidated financial statements of the Group for FY2025 (i.e. the Disclaimer of Opinion) due to multiple uncertainties relating to the Group’s ability to continue as a going concern, the details of which are set out on pages 57 to 58 of the 2025 Annual Report.

The Company wishes to provide progress update on the implementation of the Action Plan in addressing the Disclaimer of Opinion as follows:

1. As disclosed in the Company’s announcement dated 2 July 2025, MoEnCo agreed to make the Settlement Amount to the MTA in a total sum of MNT 120.8 billion (approximately HK$279 million), representing mostly the royalty tax payables for the tax years 2022 and 2023 by way of six (6) instalments within six (6) months. Up to the date of this announcement, MoEnCo has made five (5) instalment payments in the total sum of MNT 78.9 billion (approximately HK$173 million) (excluding the tax refund and bank withdrawal by the MTA in the total sum of MNT 9.4 billion (approximately HK$20.6 million)) in accordance with the Proposal. Subject to any unforeseen circumstances, MoEnCo reaffirms its commitment of payment and shall use all its reasonable endeavours to timely discharge the final instalment in accordance with the terms of the Proposal.

2. In relation to the TDRC's ruling that MoEnCo has to pay the reassessment tax for the tax years 2017 to 2020 in the sum of approximately MNT 412.3 billion (approximately HK$902.6 million), on 22 August 2025, MoEnCo initiated the legal process by filing relevant claims with the Administrative Court of Mongolia against the TDRC to annul the entirety of the said reassessment tax under the TDRC's ruling. Up to the date of this announcement, several preliminary hearings have been held by the Administrative Court, during which MoEnCo requested that the TDRC should disclose more supportive evidence and documents on the bases of its ruling. A formal hearing took place on 10 December 2025, and the Court further postponed the formal hearing to 17 December 2025.

Notwithstanding the legal proceedings above, the Group remains committed to explore all possible avenues with the relevant authorities toward settlement, with the aim of reaching a mutually agreeable outcome acceptable to all parties.

The Group will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

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

Hong Kong, 12 December 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.