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).

MoEnCo's claims

Reference is made to the announcement of the Company dated 9 January 2026 (the "**January Announcement**") in relation to the Mongolian tax issues, in particular, the hearing by the Mongolian Administrative Court (the "**Court**") of MoEnCo's claims against the Tax Reassessment Act No. NA-362400000003 dated 7 May 2024 issued by the state tax inspectors of the General Tax Office ("**GTO**"). Unless otherwise defined in this announcement, capitalised terms shall have the same meanings as defined in the January Announcement.

On 24 February 2026, MoEnCo received the written judgment in respect of its claims from the Court. The written judgment is in line with the judgment delivered verbally by the Court in January 2026 which, as previously stated in the January Announcement, was ruled in favour of GTO and MoEnCo's claims were dismissed. MoEnCo has the right to appeal the decision within 14 days from the date of receipt of the written judgment, i.e. on or before 10 March 2026. The Group is currently seeking legal advice and preparing an appeal against the judgment to the Appellate Court of Mongolia.

Additional tax in relation to royalty, withholding tax, additional income tax and penalty for the tax period 2021-2023

Further, on 27 February 2026, MoEnCo received a notice of tax assessment and demand dated 10 February 2026 ("**Tax Reassessment Act**") from the GTO for the tax period between 2021 and 2023, demanding additional tax payments and penalties from MoEnCo. The total amount under the Tax Reassessment Act is 512.2 billion Mongolian

Tugrik (“**MNT**”) (approximately HK$1.12 billion), mainly comprising:

(i) additional taxes: MNT 253 billion (approximately HK$555 million);
(ii) penalty: MNT 133.7 billion (approximately HK$293 million); and
(iii) undue loss: MNT 125.5 billion (approximately HK$275 million).

The main audit findings and adjustments by the GTO under the Tax Reassessment Act are:

(i) royalty adjustment by using market price as determined by the GTO (instead of the contract price fixed by MoEnCo);
(ii) the repayment of outstanding payables to the Company was treated as dividend distribution, which (as notified under the Tax Reassessment Act) is subject to 20% withholding tax; and
(iii) realised foreign exchange loss arising from payment of payables to the Company was reclassified as non-tax deductible expenses and was notified by the GTO to be taxed at 25% Corporate Income Tax.

The Group is seeking professional advice from its Mongolian tax and legal advisers, including the conduct of an independent evaluation. In accordance with the applicable Mongolian laws, MoEnCo is entitled to lodge an appeal to the TDRC within 30 days from the receipt of the Tax Reassessment Act if MoEnCo does not agree. Apart from the legal recourse, the Group will also use its best endeavours to engage constructively with the GTO to seek an amicable solution acceptable to both parties.

The potential financial impact, including any requirement for additional tax provision, can only be determined after the said thorough assessment by external tax advisers is completed. The Company will closely monitor the developments and publish further announcement(s) to keep Shareholders and potential investors of the Company informed of any progress, 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, 3 March 2026

As at the date of this announcement, the Board comprises eleven 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 and Mr. Choi Man Yu, Frankie as non-executive Directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny as independent non-executive Directors.