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## **SIBERIAN MINING GROUP COMPANY LIMITED**

**西伯利亞礦業集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1142)**

### **POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09 of 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).

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2021 and other information currently available, the Group is expected to record a profit before income tax of approximately HK\$645 million for the year ended 31 March 2021 as compared to a loss before income tax of approximately HK\$1,509 million for the year ended 31 March 2020, primarily attributable to (i) an estimated reversal of impairment losses of approximately HK\$310 million (impairment loss of approximately HK\$165 million for the year ended 31 March 2020) on other intangible assets; (ii) an estimated reversal of impairment losses of approximately HK\$439 million (impairment loss of approximately HK\$1,171 million for the year ended 31 March 2020) on exploration and evaluation assets; and (iii) an estimated decrease of amortization of other intangible assets to approximately HK\$89 million (2020: approximately HK\$140 million).

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Siberian Mining Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

*\* For identification purpose only*

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2021 and other information currently available, the Group is expected to record a profit before income tax of approximately HK\$645 million for the year ended 31 March 2021 as compared to a loss before income tax of approximately HK\$1,509 million for the year ended 31 March 2020. Such estimated turnaround from loss to profit is primarily attributable to (i) an estimated reversal of impairment loss on other intangible assets (in relation to mining rights of Lot 1 and Lot 1 Extension of the Group’s Russian coal mines) amounting to approximately HK\$310 million (impairment loss of approximately HK\$165 million for the year ended 31 March 2020) arising from increase in valuation of such assets as at 31 March 2021 mainly due to the net effect of increase in coal sales prices of certain type of coals, the appreciation of Russian Rubles to United States Dollars, the decrease in post-tax discount rate and change of the expected first year of coal production to 2026; (ii) an estimated reversal of impairment loss on exploration and evaluation assets (in relation to mining rights of Lot 2 of the Group’s Russian coal mines) amounting to approximately HK\$439 million (impairment loss of approximately HK\$1,171 million for the year ended 31 March 2020) arising from increase in valuation of such assets as at 31 March 2021 also mainly due to the net effect of increase in coal sales prices of certain type of coals, the appreciation of Russian Rubles to United States Dollars, the decrease in post-tax discount rate and change of the expected first year of coal production to 2023; and (iii) an estimated decrease of amortization of other intangible assets (in relation to mining rights of Lot 1 and Lot 1 Extension of the Group’s Russian coal mines) to approximately HK\$89 million (2020: approximately HK\$140 million) as the carrying value decreased as at 31 March 2020.

The Company would like to highlight that the above-mentioned estimated reversals of impairment losses are just non-cash items arising from year end valuation exercises for accounting purposes, which will not affect the cash flow position of the Group.

As the Company is still in the process of preparing its annual results for the year ended 31 March 2021, the information contained in this announcement is only based on the information currently available and the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2021, which are yet to be finalized and have not been reviewed by the Company’s Audit Committee, and which therefore are subject to adjustments. The unaudited consolidated annual results of the Group for the year ended 31 March 2021 are expected to be announced by the Company on or before 30 June 2021.

**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  
**Siberian Mining Group Company Limited**  
**Lee Jaeseong**  
*Chairman*

Hong Kong, 16 June 2021

*As at the date of this announcement, the Board consists of Mr. Lee Jaeseong and Mr. Im Jonghak as executive directors, and Ms. Chen Dai, Mr. Kwok Kim Hung Eddie and Mr. Leung Yau Wan John as independent non-executive directors.*