

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.



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 six months ended 30 September 2021 and other information currently available, the Group is expected to record a profit before income tax of approximately HK\$81 million for the six months ended 30 September 2021 as compared to a loss before income tax of approximately HK\$280 million for the same period of last year, primarily attributable to the net effects of (i) an estimated reversal of impairment loss of approximately HK\$226 million (reversal of impairment loss of approximately HK\$72 million for the six months ended 30 September 2020) on other intangible assets; (ii) an estimated impairment loss of approximately HK\$40 million (impairment loss of approximately HK\$311 million for the six months ended 30 September 2020) on exploration and evaluation assets; and (iii) an estimated increase of amortization of other intangible assets to approximately HK\$114 million (approximately HK\$34 million for the six months ended 30 September 2020).

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

* For identification purpose only

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).

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 six months ended 30 September 2021 and other information currently available, the Group is expected to record a profit before income tax of approximately HK\$81 million for the six months ended 30 September 2021 as compared to a loss before income tax of approximately HK\$280 million for the same period of last year. Such estimated turnaround from loss to profit is primarily attributable to the net effects of (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\$226 million (reversal of impairment loss of approximately HK\$72 million for the six months ended 30 September 2020) arising from increase in valuation of such assets as at 30 September 2021 mainly due to the net effects of increases in coal sales prices of certain types of coals due to the adoption of export coal prices rather than domestic coal prices, increase in post-tax discount rate, appreciation of Russian Rubles to United States Dollars and the change in expected first year of coal production to 2028 (six months ended 30 September 2020: first year of coal production in 2025); (ii) an estimated 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\$40 million (impairment loss of approximately HK\$311 million for the six months ended 30 September 2020) arising from decrease in valuation of such assets as at 30 September 2021 mainly due to the net effects of increases in coal sales prices of certain types of coals due to the adoption of export coal prices rather than domestic coal prices, increase in post-tax discount rate, appreciation of Russian Rubles to United States Dollars and the change in expected first year of coal production to 2023 (six months ended 30 September 2020: first year of coal production in 2022); and (iii) an estimated increase 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\$114 million (approximately HK\$34 million for the six months ended 30 September 2020) as the carrying value increased as at 31 March 2021.

As the Company is still in the process of preparing its interim results for the six months ended 30 September 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 six months ended 30 September 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 interim results of the Group for the six months ended 30 September 2021 are expected to be announced by the Company on or before 30 November 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 November 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.