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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT 2024

References are made to the annual report of Mongolia Energy Corporation Limited (the “**Company**”) for the year ended 31 March 2024 published on 18 July 2024 (the “**Annual Report 2024**”) and the Company’s annual results announcement for the year ended 31 March 2024 published on 19 June 2024 (the “**Annual Results 2024**”). Unless otherwise defined, capitalized terms used in this announcement have the same meaning as given to them in the Annual Report 2024 and the Annual Results 2024.

In addition to the disclosures in the Corporate Governance Report as set out in the Annual Report 2024, the Company would like to supplement additional information in relation to uncertainties relating to going concern pursuant to the disclosure requirements of code provision D.1.3 in Part 2 of Appendix C1 to the Listing Rules as follows:

Uncertainties Relating to Going Concern

As set out in Note 1 to the consolidated financial statements, the Group had net liabilities of approximately HK\$2,685.3 million and net current liabilities of approximately HK\$4,924.3 million as at 31 March 2024, including advances from a Director, convertible notes and a loan note in aggregate of HK\$5,251.4 million. The Group’s ability to continue as a going concern is dependent on the ongoing availability of finance to the Group, including from a substantial shareholder who is also the Chairman and a director of the Company, and the holders of the convertible notes and loan note.

As further set out in Note 30 to the consolidated financial statements of the Annual Report 2024, the Company’s convertible notes and loan note, with a carrying amount in aggregate of HK\$4,244.7 million as at 31 March 2024 have maturity dates due within one year. Management plans to negotiate with the existing holders of the convertible notes and loan note in relation to the potential refinancing of these borrowings to allow the Group to continue to meet its financial obligations. If the refinancing from the existing holders of the convertible notes and loan note, and finance from its shareholder were not to be available, the Group would be unable to meet its financial obligations as and when they fall due.

In view of such, this indicates the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and the significance of the extent of the uncertainties relating to the ongoing availability of finance to the Group, the independent auditor disclaimed the opinion of the Group's financial results in respect of the year ended 31 March 2024.

The fundamental reason for the disclaimer of audit opinion (the “**Disclaimer**”) made by the independent auditor for the Financial Year is the material uncertainty arising from the soon expiry of the loan note and convertible notes (the “**Notes**”) in November 2024 and March 2025 respectively. Despite the fact that the Company would exercise its best endeavor to reach an agreement with the holders of the Notes (the “**Debt Refinancing**”); however, the Debt Refinancing was only at a very preliminary stage at the date which the consolidated financial statements were approved and authorized for issue by the Board. Therefore, the independent auditor was unable to obtain solid audit evidence to form an audit opinion on the consolidated financial statements. For details of the Notes, please refer to Note 30 to the consolidated financial statements of the Annual Report 2024. The audit committee of the Company (the “**Audit Committee**”) has reviewed the Disclaimer for the Financial Year and understood the basis thereof. The management of the Company (the “**Management**”) has reviewed the impact of the Disclaimer on the Group and considers that it does not have significant impact on the Group's daily operation subject to the Debt Refinancing could be completed on or before the expiry of the Notes. By reference to the experience gained in similar debt refinancing exercises successfully completed in 2014 and 2019, the Management has confidence that the Debt Refinancing could be reached in due course and expects the Disclaimer to be removed in the financial year ending 31 March 2025. There was no disagreement between the views of the Audit Committee and the Management in respect of (i) the Disclaimer and (ii) the Company's plan to address the Disclaimer.

The Company will exercise its best endeavor to negotiate the Debt Refinancing with the holders of the Notes in reasonable time before their respective maturity. We will update our development progress in due course.

The supplementary information has also been disclosed on pages 16, 53 and 62 of the Annual Report 2024, pages 5 to 6, pages 23 to 24 and page 34 of the Annual Results 2024.

The supplementary information does not affect other information contained in the Annual Report 2024. Save as disclosed above, all other information in the Annual Report 2024 remains unchanged.

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

Hong Kong, 2 August 2024

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 and Mr. Lo, Chris Cze Wai as executive Directors, Mr. To Hin Tsun, Gerald and Mr. Lo, James Cze Chung as non-executive Directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive Directors.