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## **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

### **ANNOUNCEMENT**

### **IMPAIRMENT LOSS**

Based on the preliminary discussion with the auditors of the Company, a provision of impairment loss in approximately HK\$6.5 billion on Khushuut Mining Assets is expected for the financial year ended 31 March 2015.

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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Under the company’s accounting policies, the Company is required to assess the carrying value of the Group’s mining assets at the end of each financial period/year. If the recoverable amount of the Group’s mining assets as determined by an independent valuer is significantly lower than their carrying value, an impairment loss may incur. In the course of such assessment, various factors and assumptions are taken into account including but not limited to the prevailing coal prices, market sentiments, and our operating conditions. The preliminary valuation results were available recently which have been passed to the Company’s independent auditor for its extensive audit review. The outcome of the valuation can only be finalized with certainty until the independent auditor has finished its audit works.

Based on careful consideration of the Board and the preliminary discussion with the auditors, we expected a provision of impairment loss in approximately HK\$6.5 billion will arise from the mining assets assessment under the information currently available. Such information is subject to finalization with the auditors. The impairment loss may have a significant impact on the results for the financial year ended 31 March 2015.

The Board wishes to emphasize that the impairment loss is an accounting related adjustment and a non-cash item which will not have any impact on the cash flow of the Group. The Company will make further announcement as and when necessary in due course.

The Company's final results for the financial year ended 31 March 2015 are under review and subject to finalization and confirmation by its auditor as well as approvals of the audit committee of the Company in the Company's Board meeting scheduled on 22 June 2015. The annual results announcement of the Company for the financial year ended 31 March 2015 will be published after the Board meeting.

**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, 18 June 2015

*As at the date of this announcement, the Board comprises six Directors, of which Mr. Lo Lin Shing, Simon and Ms. Yvette Ong are the executive Directors, Mr. To Hin Tsun, Gerald is the non-executive Director and Mr. Peter Pun <sup>OBE, JP</sup>, Mr. Tsui Hing Chuen, William <sup>JP</sup> and Mr. Lau Wai Piu are the independent non-executive Directors.*