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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

(I) REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE LOGISTICS SERVICES FRAMEWORK AGREEMENT; AND (II) FURTHER DELAY IN DESPATCH OF CIRCULAR

THE SUPPLEMENTAL LOGISTICS SERVICES FRAMEWORK AGREEMENT

On 31 March 2022, after further negotiation between the Company and VVLJV by taking into account the quantity of logistics services VVLJV is able to provide, the Company and VVLJV entered into the Supplemental Logistics Services Framework Agreement, pursuant to which the Company and VVLJV agreed to revise (i) the term of the provision of logistics services by VVLJV to the Group from three years to one year commencing from 1 April 2022 to 31 March 2023, effective from the date of approval by the Independent Shareholders at the SGM; and (ii) the Original Annual Caps to the Revised Annual Cap. Save for the aforesaid, all other terms of the Original Logistics Services Framework Agreement remain unchanged.

FURTHER DELAY IN DESPATCH OF CIRCULAR

The Logistics Services Framework Agreement is subject to the approval of the Independent Shareholders. The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Logistics Services Framework Agreement and the transactions contemplated thereunder.

As disclosed in the Delay Announcements, it was expected that the Circular would be despatched to the Shareholders on or before 31 March 2022. As additional time is required to compile the information to be included in the Circular, the Company expects that the date of despatch of the Circular will be further postponed to on or before 30 April 2022.

References are made to the four announcements (the “**Announcements**”) of Mongolia Energy Corporation Limited (the “**Company**”) dated 3 December 2021 in relation to the Original Logistics Services Framework Agreement (the “**Announcement**”), and dated 30 December 2021, 31 January 2022 and 28 February 2022 in relation to the delay in despatch of the Circular (the “**Delay Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

THE SUPPLEMENTAL LOGISTICS SERVICES FRAMEWORK AGREEMENT

According to the Announcement, the Company entered into the Original Logistics Services Framework Agreement with VVLJV, pursuant to which the VVLJV agreed to provide logistics services to the Group for a period not exceeding three years with the Original Annual Caps setting out the transaction value for the respective financial years and up to 31 December 2024.

On 31 March 2022, after further negotiation between the Company and VVLJV by taking into account the quantity of logistics services VVLJV is able to provide, the Company and VVLJV entered into the Supplemental Logistics Services Framework Agreement, pursuant to which the Company and VVLJV agreed to revise (i) the term of the provision of logistics services by VVLJV to the Group from three years to one year commencing from 1 April 2022 to 31 March 2023, effective from the date of approval by the Independent Shareholders at the SGM; and (ii) the Original Annual Caps to the Revised Annual Cap. Save for aforesaid, all other terms and conditions under the Original Logistics Services Framework Agreement remain the same.

The revised terms under the Supplemental Logistics Services Framework Agreement are summarised as follows:

Date: 31 March 2022
Parties: i. The Company; and
ii. VVLJV

Pursuant to the Supplemental Logistics Services Framework Agreement, the relevant terms of the provision of logistics services by VVLJV to the Group and the annual cap of the CCT will be revised as follow:

Term: The period commencing from 1 April 2022 to 31 March 2023, effective from the date of approval by the Independent Shareholders at the SGM

Annual Caps:

Financial year	Original Annual Caps RMB	Revised Annual Caps RMB
Up to 31 March 2022	76 million	–
1 April 2022 to 31 March 2023	325 million	131.6 million
1 April 2023 to 31 March 2024	414 million	–
1 April 2024 to 31 December 2024	371 million	–

The Revised Annual Cap under the Supplemental Logistics Services Framework Agreement was determined with reference to (i) the historical logistics services transaction amounts of the Group in the PRC with reference to the volume of raw coal exported; (ii) the estimated demand of logistics services required pursuant to the operation and development of the Group; (iii) the prevailing market prices; and (iv) the quantity of logistics services VVLJV is able to provide to the Group.

Please refer to the Announcement of the Company for other significant terms of the Original Logistics Services Framework Agreement.

REASONS FOR REVISION OF THE TERM AND THE ANNUAL CAP OF THE CCT

The Original Logistics Services Framework Agreement was entered into on 3 December 2021, it has yet to become effective pending the despatch of the Circular and the approval of the Independent Shareholders.

In view of the change of business strategy of VVLJV, the Company and VVLJV had made further discussion on the logistics services required and the quantity of logistics services VVLJV is able to provide. Both the Company and VVLJV considered that it could provide more flexibility to the Company and VVLJV to revise the term of the Original Logistics Services Framework Agreement from three years to one year commencing from 1 April 2022 to 31 March 2023, and the change the Original Annual Caps to the Revised Annual Cap of RMB131.6 million. As such, the Company and VVLJV entered into the Supplemental Logistics Services Framework Agreement.

FURTHER DELAY IN DESPATCH OF CIRCULAR

The Logistics Services Framework Agreement is subject to the approval of the Independent Shareholders. The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Logistics Services Framework Agreement and the transactions contemplated thereunder.

As disclosed in the Delay Announcements, it was expected that the Circular would be despatched to the Shareholders on or before 31 March 2022. As additional time is required to compile the information to be included in the Circular, the Company expects that the date of despatch of the Circular will be further postponed to on or before 30 April 2022.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Logistics Services Framework Agreement”	The Logistics Services Framework Agreement as revised by the Supplemental Logistics Services Framework Agreement
“Original Annual Caps”	The original annual caps of service fee under the Original Logistics Services Framework Agreement for a term not exceeding three years commencing from the date of approval by the Independent Shareholders at the SGM

“Original Logistics Services Framework Agreement”	the logistics services framework agreement entered into between the Company and VVLJV dated 3 December 2021 for a term not exceeding three years
“Revised Annual Cap”	The revised annual cap of service fee under the Original Logistics Services Framework Agreement revised by the Supplemental Logistics Services Framework Agreement for the period commencing from 1 April 2022 to 31 March 2023
“Supplemental Logistics Services Framework Agreement”	The supplemental agreement dated 31 March 2022, entered into between the Company and VVLJV for the revision of the Original Logistics Services Framework Agreement in relation to the term of the provision of logistics services by VVLJV to the Company as well as from the Original Annual Caps to the Revised Annual Cap

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

Hong Kong, 31 March 2022

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. Tang Chi Kei 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.