THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mongolia Energy Corporation Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

MAJOR TRANSACTION
THE ENTERING INTO THE EPC CONTRACT IN RELATION TO THE CONSTRUCTION AND INSTALLATION OF A NEW DRY COAL PROCESSING PLANT AND NON-COMPETE AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING

A letter from the board of directors of Mongolia Energy Corporation Limited is set out on pages 4 to 18 of this circular.

A notice convening the special general meeting of Mongolia Energy Corporation Limited to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 14 May 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting (or any adjournment thereof) should you so wish.

25 April 2024

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In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

"Announcement"	the announcement of the Company dated 6 March 2024 relating to the Construction and the Compensation
"Board"	the board of Directors
"Business Day(s)"	has the meaning ascribed thereto under the Listing Rules
"Bye-laws"	the bye-laws of the Company, as amended and supplemented from time to time
"Company"	Mongolia Energy Corporation Limited, a company incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange
"Compensation"	the sole and complete economic compensation in the sum of RMB4.9 million (equivalent to approximately HK$5.39 million) payable by MoEnCo to the Contractor in consideration of the non-compete obligations imposed on the Contractor under the Non-compete Agreement
"Construction"	the construction and installation of the DPP pursuant to the EPC Contract by the Contractor
"Contractor"	Tangshan Shenzhou Manufacturing Group Co., Ltd. (唐山神州機械集團有限公司) a company incorporated in the PRC with limited liabilities, the general contractor of the Construction
"Director(s)"	director(s) of the Company
"DPP"	the dry processing plant with 5.0 Mt/a processing capacity to be built by the Contractor pursuant to the EPC Contract
"EPC Contract"	the engineering, procurement and construction contract entered into between MoEnCo and the Contractor dated 6 March 2024 in relation to the construction of a new coal dry processing plant in Mongolia, subject to the approval by the Shareholders at the SGM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Khushuut Coal Mine"	the coal mine of the Group which is located approximately 1,350 km west of Ulaanbaatar in Khovd province of western Mongolia
"Latest Practicable Date"	22 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MoEnCo" or "Employer"	MoEnCo LLC, an indirect wholly-owned subsidiary of the Company. MoEnCo is also the employer for the purpose of the EPC Contract
"Mt/a"	million tons per annum
"Non-compete Agreement"	the non-compete agreement entered into between MoEnCo and the Contractor on the same date as the EPC Contract for safeguarding the interests of MoEnCo for protecting the trade secret and related rights of MoEnCo
"Notice of SGM"	the notice convening the SGM as set out on pages SGM-1 to SGM-3 of this circular
"percentage ratios"	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"SGM"	a special general meeting of the Company to be convened and to approve the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder

"Share(s)"	Shares of the Company
"Share Capital"	the issued ordinary share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

For the purpose of this circular unless otherwise specified, the conversion of RMB into HK$ is based on the approximate exchange rate from RMB1.00 to HK$1.10. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

Executive Directors:
Mr. Lo Lin Shing, Simon *(Chairman)*
Ms. Yvette Ong *(Managing Director)*
Mr. Lo, Rex Cze Kei
Mr. Lo, Chris Cze Wai

Non-executive Directors:
Mr. To Hin Tsun, Gerald
Mr. Lo, James Cze Chung

Independent Non-executive Directors:
Mr. Tsui Hing Chuen, William *JP*
Mr. Lau Wai Piu
Mr. Lee Kee Wai, Frank

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
17th Floor
118 Connaught Road West
Hong Kong

25 April 2024

To the Shareholders:

Dear Sirs or Madams,

MAJOR TRANSACTION THE ENTERING INTO THE EPC CONTRACT IN RELATION TO THE CONSTRUCTION AND INSTALLATION OF A NEW DRY COAL PROCESSING PLANT AND NON-COMPETE AGREEMENT

1. INTRODUCTION

Reference is made to the Announcement in relation to the Construction and the Compensation, pursuant to which MoEnCo entered into the EPC Contract, together with the Non-compete Agreement, with the Contractor, in relation to the construction and installation work of a new DPP in the Khushuut Coal Mine for a total contract sum of RMB99.85 million (equivalent to approximately HK$109.84 million) by the Contractor and the Contractor shall, pursuant to the Non-compete Agreement, agree not to (i) invest, sell, or operate any coal washing and processing business; and/or (ii) undertake the design, construction, equipment supply and installation or general contracting of any dry coal processing projects for any other coal mining, washing and processing enterprises within Khovd Province, Mongolia within eight (8) years from the date of signing of the EPC Contract in return of the Compensation amounting to RMB4.9 million (equivalent to approximately HK$5.39 million), which is approximately 5% of the consideration for the Construction; subject to the approval by the Shareholders at the SGM.

The purpose of this circular is to provide the Shareholders with information in respect of the Construction and the Compensation and to enable the Shareholders to make their informed decision as to how to vote on the resolution at the SGM.

2. THE EPC CONTRACT

Date: 6 March 2024

Parties:

i. MoEnCo; and

ii. The Contractor

Construction specification and scale: The Contractor as an EPC general contractor for the design, procurement, construction and installation of a 5.0 Mt/a processing capacity DPP under turnkey basis according to, among other things, the relevant feasibility report, technical contract, and the relevant information and technical specifications provided by MoEnCo, that is, including, among other things, design, procurement of equipment and materials, construction of building and installation, testing and commissioning of electrical and mechanical equipment, software programing and testing, attending trial run operation, carrying out performance assessment test, production capacity and quality test, maintenance and attending final inspection and handover.

The Contractor shall be responsible for the project quality, progress, regulatory compliance (regarding safety, fire and environment), grading and filing. The Contractor shall also provide relevant completion information, list of assets, production process technical manual and equipment maintenance manual.

The Contractor shall handover the DPP which fully fulfills the relevant technical specification, usage performance and quality requirements.

Scope of contracting work: All works of engineering survey, design, construction, supply, transportation, installation, debugging, trial production, technical services and training relating to (i) civil construction; (ii) mechanical equipment; (iii) electricity distribution; (iv) lighting; (v) purification; (vi) heating; (vii) ventilation; (viii) dust removal; (ix) fire control; (x) environmental protection; (xi) safety; (xii) energy saving; (xiii) sanitary fitting; (xiv) lightning protection; (xv) lifting; (xvi) maintenance inspection; (xvii) control protection; (xviii) industrial TV system; (xix) telecommunication; (xx) water supply and drainage for the DPP located at the Khushuut Coal Mine from the run-of-mine ("**ROM**") coal receiving pit to the customs supervision warehouse (customs supervision warehouse construction not included).

The works shall include but not limited to: the survey and design, civil construction (including pile foundation construction and inspection and testing), building and installation construction, temporary facilities on site (to be delivered by the Employer in accordance with the current status of the site), procurement of equipment and materials, installation and debugging, completion test, production and standardization, completion acceptance (including acceptance of relevant formalities such as safety, fire protection, environmental protection etc.), delivery of the works, defect rectification and training of personnel.

The consideration shall include the costs of procurement, transportation, warehousing and safe storage of equipment, materials, lubricants, etc., the costs of water, electricity, gas and other medium, labor services, management, maintenance, insurance, regulatory fees, policy price adjustments and other risks.

Terms:

1. Work shall tentatively be commenced on the effective date of the EPC Contract and upon the issuance of work commencement notice to the Contractor.

2. On-site construction work shall tentatively be commenced on or around 30 June 2024 (should the EPC Contract become effective on or before 31 May 2024). If the effective date of the EPC Contract is delayed, commencement date for the on-site construction shall be postponed by the number of days of delay from 31 May 2024.

3. Key milestones of the Construction include:

    - foundation shall be completed by 30 September 2024;
    - major equipment installation shall be completed by 15 February 2025;
    - commencement of inspection on standards and production fulfilment shall be on 30 April 2025;
    - completion and acceptance date of the Construction shall be 30 July 2025. All construction, installation, procurement, trial run, testing (including meeting all production related requirements) and internal handover procedures shall be completed before the date of final completion. If the Contractor delays due to its own reasons and is unable to complete the Construction on time, the Contractor shall pursuant to the relevant terms of the EPC Contract compensate the Employer; and
    - total number of calendar days for the Construction shall be 395 days. Should the number of construction days pursuant to the tentative timetable above differ, 395 days shall prevail.

Quality standard: Pursuant to the relevant technical contract/standard entered into/ agreed between the Contractor and MoEnCo and national standards and requirements and the passing of final inspection in one take.

Consideration Total consideration shall be amounted to RMB99.85 million (equivalent to approximately HK$109.84 million)

The consideration under the EPC Contract shall be an all-inclusive price (which shall include, among other things, regulatory fees, planning fee, tax and all relevant PRC and Mongolian government charges). Unless there is variation as stipulated under the EPC Contract, pricing of the EPC Contract shall remain unchanged.

Payment terms:

(i) 15% of the contract price as prepayment after the deduction of preliminary design fee of RMB0.8 million shall be paid within 20 days when the EPC Contract becomes effective (approximately RMB14.2 million);

(ii) 10% of the contract price as progress payment upon the on-site arrival of the civil construction personnel and materials and commencement of work (approximately RMB10 million);

(iii) 10% of the contract price as progress payment upon completion of the foundation of the civil construction (approximately RMB10 million);

(iv) 17.5% of the contract price as progress payment before shipment of the major equipment (including the dry separator, crusher, screening equipment, feeder, iron remover, etc.) (approximately RMB17.5 million);

(v) 17.5% of the contract price as progress payment upon the enclosure of all workshops and completion of equipment installation and debugging, linkage debugging, and coal testing (approximately RMB17.5 million);

(vi) 10% of the contract price as progress payment after completion and acceptance of the DPP by the Employer (approximately RMB10 million);

(vii) 11% of the contract price as progress payment after completion and acceptance of the DPP by the Mongolian government and formal production of coal (approximately RMB10.95 million);

(viii) 4% of the contract price as progress payment after the project completion acceptance data is handed over to the Employer (approximately RMB3.9 million); and

(ix) 5% of the contract price as retention money, shall be kept by the Employer and shall be released to the Contractor no more than 24 months after project completion (approximately RMB5 million)

Undertakings: MoEnCo shall undertake to comply with all relevant rules and regulations in obtaining requisite approvals for the project and to settle payments of consideration when they fall due pursuant to the terms of the EPC Contract.

The Contractor shall undertake to carry out all design work, procurement, construction work in accordance with the relevant rules and regulations, comply with the relevant quality and safety standards and will not assign its contractual rights or engage in illegal subcontracting. The Contractor shall assume all quality responsibility during the maintenance period as stipulated in the EPC contract in the following manner:

(a) civil works: one year from handover;

(b) foundation and main structure: the entirety of its designed service life;

(c) waterproofing work: five years from handover;

(d) equipment: from twelve months to twenty-four months depending on the type of equipment;

(e) drainage engineering: two years from handover;

(f) heating engineering: two heating periods as defined in the purchasing order from handover; and

(g) other parts of the plant not listed above will be subject to a maintenance period prescribed under national requirements of the PRC.

The Contractor confirms that it is an independent third party to MoEnCo and its controlling shareholders and their respective connected persons (under the meaning of the Listing Rules); it is also independent to their directors, supervisors, key management, controlling shareholder, substantial shareholder and their respective connected persons; and it did not hold any shares of MoEnCo and its controlling shareholders.

To comply with the Listing Rules: if the Contractor shall sub-contract part of its work under special circumstances, the Contractor shall comply with the relevant terms of the EPC Contract as well as undertake not to sub-contract to any connected persons (as defined under the Listing Rules) of the Employer and its controlling shareholders.

The Contractor further undertakes that the Contractor and its working team carrying out the Construction have the relevant qualification and experience in carrying out the construction work stipulated under the EPC Contract.

Before the EPC Contract becomes effective, and in order to meet the tight construction schedule, the Contractor will carry out certain preparatory work not exceeding RMB5 million (equivalent to approximately HK$5.5 million). If the EPC Contract has not become effective, MoEnCo will reimburse all reasonably incurred preparation costs of the Contractor up to RMB5 million (equivalent to approximately HK$5.5 million).

Effective Day of the EPC Contract: The EPC Contract shall become effective upon the controlling shareholder of MoEnCo, namely the Company, obtaining the Shareholders' approval on the relevant resolution at the SGM.

The EPC Contract shall not take effect until the approval of the Shareholders at the SGM has been obtained.

Save as disclosed above in the section headed "Undertakings", should the Company fail to obtain the requisite Shareholders' approval, both parties shall bare their respective costs and damages incurred. Furthermore, no party shall assume any responsibility including breach of contract.

3. NON-COMPETE AGREEMENT

In order to protect the trade secret and related rights of the Employer, ancillary to the EPC Contract, MoEnCo and the Contractor also entered into the Non-compete Agreement on the same date as the EPC Contract for safeguarding the interests of MoEnCo.

Major provisions under the Non-compete Agreement include, among others:

Under the Non-compete Agreement, the Contractor, including its affiliated parties, are not allowed, either directly or indirectly, by itself or through others, to invest, sell, or operate any coal washing and processing business within Khovd Province, Mongolia within eight (8) years from the date of signing of the EPC Contract (the "**non-compete period**"). In addition, the Contractor, including its affiliated parties, shall not, either directly or indirectly, undertake the design, construction, equipment supply and installation or general contracting of any dry coal processing projects for any other coal mining, washing and processing enterprises within Khovd Province, Mongolia in the non-compete period.

Under the Non-compete Agreement, affiliated parties of the Contractor shall include, among others, any legal or natural entities, either directly or indirectly, controlled by the Contractor; the direct or indirect controlling entities of the Contractor; or the affiliated entities jointly, either directly or indirectly controlled by the Contractor and other entities ("**the Contractor's related parties**") or distributors, agents, repairers or such similar legal entities of the Contractor and the Contractor's related parties as defined in the Non-compete Agreement or original equipment manufacturer and original design manufacturer who have been commissioned by the Contractor and the Contractor's related parties to design or produce equipment for the Contractor.

During the non-compete period, the Contractor shall take all necessary restrictions and restraint measures not to provide, directly or indirectly, equipment to other coal mining enterprises, coal washing and processing enterprises (hereinafter referred to as "**competitors**") and related parties of competitors in Khovd Province, Mongolia. These shall include the actual or potential partners of the competitors and/or their affiliates (the scope of partners includes but not limited to general contractors, construction units, design units, subcontractors, suppliers, contract operators, leasing operators (hereinafter collectively referred to as "**partners of competitors and/or their affiliates**")). The Contractor shall also prevent the partners of competitors and/or their affiliates from installing and using the Contractor's equipment in Khovd Province, and not to contact with competitors, partners of competitors and/or their affiliates for the purpose of providing equipment or equipment-related resources and services.

The Contractor and its affiliated parties and their shareholders, directors, senior management, employees during the non-compete period and resigned core employees of the Contractor who have participated in the Construction within 2 years of their resignation, shall not (i) provide, directly or indirectly, equipment or equipment-related resources and services to the competitors, partners of competitors and/or their affiliates; (ii) contact with competitors, partners of competitors and/or their affiliates for the purpose of providing equipment or equipment-related resources and services; (iii) hold positions or to work part-time at any competitors, partners of competitors and/or their affiliates; or hold any shares, rights to dividends, voting rights, operation rights or similar legal rights in any competitors, partners of competitors and/or their affiliates.

In consideration of the non-compete obligations of the Contractor, and as the sole and complete economic compensation for the Contractor, MoEnCo agrees to pay a non-compete compensation amount of RMB4.9 million (equivalent to approximately HK$5.39 million) to the Contractor (i.e. the Compensation) which is approximately 5% of the total consideration for the Construction. 50% of the Compensation shall be paid within 20 days by MoEnCo upon the approval of the EPC Contract and the Non-compete Agreement at the SGM and the remaining balance of the Compensation shall be paid within 30 days after the completion and acceptance of the Construction under the EPC Contract.

MoEnCo may terminate the Contractor's non-compete obligations by giving written notice to the Contractor if the Construction is terminated before completion and acceptance. If the Contractor is responsible for the termination, the Contractor shall refund the amount of Compensation it has received to MoEnCo. If MoEnCo is responsible for the termination, MoEnCo shall pay the Contractor the amount of Compensation proportionate to the duration which the Contractor has fulfilled its obligation up to the date of termination ("**proportionate compensation**"). If neither parties are responsible for the termination, MoEnCo shall pay the Contractor 50% of the proportionate compensation.

If the Contractor violates its obligations under the Non-compete Agreement, MoEnCo is not required to pay the Contractor any Compensation which has not been paid, and the Contractor shall unconditionally refund to MoEnCo the amount of Compensation which has been received. In addition, the Contractor shall also pay MoEnCo liquidated damages which is up to 20% of the contract price stipulated in the EPC Contract.

If the EPC Contract fails to become effective because the approval of the Shareholders could not be obtained, the Non-compete Agreement shall automatically be terminated. Both parties shall not bear any liabilities for breach of contract or payment.

Having considered that (i) coal mines in other parts of Mongolia do not target the same source of customers in terms of location; and (ii) the coal mines outside the Khovd Province will not have the same geology as the Khushuut Coal Mine and thus, the coal produced may be of different quality, the Board is of the view that coal mines outside the Khovd Province will not pose a direct threat to the operation of MoEnCo. Based on the aforesaid, the Board is of the view that the restriction arrangements under the Non-compete Agreement is fair, reasonable and sufficient to protect the Group's interest.

4. SELECTION OF CONTRACTOR AND PRICING

In order to select a suitable contractor and search for the best solution for setting up the new DPP, the Group's project team began its research studies since early 2022. After several field studies and consideration, the Group's project team shortlisted six dry processing manufacturing contractors, all of which have high reputations and market shares in China for further assessment. Four of the contractors had attended site visits to our Khushuut Coal Mine and washing plant in Xinjiang to refine their proposed technical solutions. Based on the coal sample test results, technical analysis and comparison, the project team selected three manufacturing contractors for further consideration.

As the technical solutions of one of the contractors did not meet our requirements, the project team ultimately invited the remaining two contractors to submit their bids for the preliminary design of the new DPP which also included the EPC solutions. After receiving the bids in November 2023, the project team made all-rounded assessment on the contractors. The evaluation factors comprised two principal parts, namely (i) technical which includes initial design, procurement solution and construction solution; and (ii) commercial which includes pricing, enterprise comprehensive strength, discount offered and performance in similar projects. Each part had different weight of score allocated. Pricing only accounted for 30 percent out of the total assessment. The final pricing bid of the Contractor under the EPC Contract is below the range quoted by other contractors. The Group awarded the contract of the preliminary design for the new DPP to the Contractor at RMB0.8 million. At the same time, the Group began its negotiation on the terms and requirements of the EPC Contract.

The consideration payable by MoEnCo to the Contractor for the construction and installation of the DPP shall be RMB99.85 million (equivalent to approximately HK$109.84 million) (the "**Contract Price**"). The Contract Price is a turnkey cost for all the works necessary to complete the DPP project including costs of labour, workmanship, materials, goods, taxes, approval costs and other related costs. The Contract Price will be funded by the Group's internal resources.

The EPC Contract is a fixed sum contract. Unless there is variation as provided and agreed by the parties pursuant to the terms of the EPC Contract, for example, additional work to be carried out which is outside the scope as described in the EPC Contract, the Contract Price is not subject to any adjustment due to market price fluctuations in engineering materials, equipment, and labour costs.

The total price including the Contract Price and the Compensation, under the EPC Contract and the Non-compete Agreement respectively, amounted to RMB104.75 million (equivalent to approximately HK$115.23 million).

5. INFORMATION OF MOENCO AND THE DPP

MoEnCo is an indirect wholly-owned subsidiary of the Company which operates the Khushuut Coal Mine in Mongolia. The Khushuut Coal Mine is located approximately 1,350 km west of Ulaanbaatar in the Khovd Province of Western Mongolia. It is about 311 km from the Xinjiang Takeshiken border, connecting by the Khushuut Road built by the Group. During the year ended 31 March 2023, approximately 2,864,400 tons of ROM coal were produced by MoEnCo.

The construction of the DPP is planned to be at the Khushuut Coal Mine in Mongolia with a processing capacity of 5.0 Mt/a. The construction work contemplated under the EPC Contract is expected to complete within 395 calendar days. Under the EPC Contract, the expected commencement date for the work is upon approval of the contract being obtained from the Shareholders in the SGM and the issue of the work commencement notice to the Contractor. The proposed commencement date of the on-site work is expected to take place on 30 June 2024 and the expected final completion date of the new DPP shall be 30 July 2025.

6. INFORMATION OF THE CONTRACTOR

The Contractor is headquartered in Tangshan, which is located in the centre of Bohai Economic Circle, PRC. The Contractor is principally engaged in the research, development, manufacturing, construction and installation of dry coal preparation equipment. It is owned as to 66.66% and 33.33% by Mr. Li Gongmin (李功民) and Ms. Li Shan (李姍), respectively.

Founded in 2001, the Contractor has a registered capital of RMB90 million and has various experience in manufacturing and construction of advanced large-scale machining and manufacturing equipment. The Contractor is a national high-tech enterprise with operations covering (i) new process of dry coal beneficiation technology; (ii) research and development of new equipment; (iii) coal preparation engineering design and consulting; and (iv) coal preparation equipment manufacturing. The Contractor was previously engaged by the Company for the building of the existing dry coal processing system in 2012.

The Contractor has obtained more than 100 authorised patents, including invention patents and international patents for its products, including but not limited to "A kind of high-efficiency automated dry coal separator for coal mines" (一種煤礦用高效率自動化乾法選煤機), "A kind of dry coal beneficiation screening equipment and its use method" (一種乾式選煤篩分設備及其使用方法) and "A kind of mobile dry coal separating and de-dusting machine" (一種移動式乾式選煤除塵機) etc.

In addition, the Contractor has also been awarded qualifications including but not limited to the Certificate of Engineering Design (工程設計資質證書) and the Safety Production License (安全生產許可證) by the Department of Housing and Urban Rural Development of Hebei Province, the Certificate of Construction Enterprise Qualification (建築業企業資質證書) by the Tangshan Administrative Review and Approval Bureau, and the Certificate of Participating Units of Group Standard "General Technical Specification for the Construction of Intelligent Coal Processing Plant (《智慧化選煤廠建設通用技術規範》團體標準參編單位證書) by the China Coal Processing and Utilisation Association (中國煤炭加工利用協會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of and not connected with the Group and its connected persons.

7. FINANCIAL EFFECT OF THE TRANSACTION

Upon completion of the Construction, the DPP will be recorded as plant, machinery and other equipment of the Group. The payment of consideration for the Construction and Compensation is expected to decrease the liquidity and cash balances of the Group. Hence, save as the Compensation, the relevant professional and administrative fees in association of the Construction, the net asset value of the Group is expected to remain unchanged as the increase in plant, machinery and other equipment is being offset by the corresponding decrease in cash of the Group. As the Group will finance the consideration of the Construction and the Compensation by way of internal financial resources, gearing (as defined by total borrowings to total asset) of the Group is not expected to increase as a result of the Construction and payment of Compensation.

As of 29 February 2024, the Group had unaudited cash and cash equivalent amounted to HK$147.69 million and unutilised facilities provided by Mr. Lo of not less than HK$931.6 million. Considering the above in aggregate amounted to approximately HK$1,079.29 million, the Group will have sufficient financial resources to finance the Construction and Compensation.

It should be noted that the above financial effects of the Construction and Compensation are for illustration purpose only. The actual financial effects of the transactions on the Group at completion of the Construction may be different from the above.

8. REASONS FOR AND BENEFITS OF THE EPC CONTRACT AND THE NON-COMPETE AGREEMENT

The Company is an investment holding company. The Group's principal business is coal mining and exploration which is operated by the Company's indirect wholly-owned subsidiary, MoEnCo, in Mongolia. The Group's principal project is the Khushuut Coking Coal Project in Western Mongolia. The Group sells coking coal and thermal coal to customers in PRC and Mongolia.

The Group currently operates one dry coal processing plant in its mine site which was put to formal operation in late 2014. The current dry coal processing plant preliminary processes the ROM coal, eliminating the unwanted rubbles and other materials to enhance quality of our raw coking coal for export purpose, and therefore reducing the Group's transportation costs. The current dry coal processing plant could process up to a maximum of two million tonnes of ROM coal per annum.

As the current dry coal processing plant has been in service for almost 10 years, the plant is in need of refurbishment in order to maintain its productivity. In addition, relevant replacement parts may not be readily available when it is in need of repair. Maintaining and upgrading the plant would be burdensome to MoEnCo.

Since the commercial coal production in 2015, the quantity of coal produced and processed have increased in folds. In order to cope with the increased production, competitiveness and developments of our mine, the management of the Company has planned to build a new dry coal processing plant on the mine site, with a processing capacity of 5.0 Mt/a to replace the existing set up. The new DPP is expected to commence operation in the second half of 2025. The current dry coal processing plant will be moved to other location to continue support and supplement our coal production operation.

In addition, according to our mining plan in the Khushuut Coal Mine, MoEnCo will use the existing office and administration areas as soil dumping site in or around 2025 to 2026. The site of the existing office and nearby facilities is the most ideal location for soil dumping under the natural extension of the mining exercise. If we keep the existing office and facilities and select other alternative sites for soil dumping, the costs of transportation will, inevitably, be increased substantially. In comparison, the relocation of the existing office and facilities will be a better solution in terms of costs and mine developments. In order to continue our mining progress as planned and smoothly in an efficient manner, and from economic perspective, there is a need to relocate the existing office and facilities to the south-western side of the existing set up.

Accordingly, MoEnCo is required to relocate the existing office and ancillary facilities by the end of 2025 to new areas within the mine site, and to construct, among others, the new office administration buildings, industrial office building and a series of supporting facilities ("**Support Facilities**") including a new dry coal processing plant in the new areas. If the existing support facilities are not relocated by 2025, the current soil dumping area will not be sufficient to support the operation of the coal mine. If the mining plan is in need of revision as there is no suitable soil dumping area, the operation of the Khushuut coal mine will be affected in terms of both progress and costs. As such, failure to relocate in time will affect and restrict our coal production plan. For the relocation of the Support Facilities, the Group will make relevant announcement as and when necessary at a later stage.

Furthermore, MoEnCo may be required to disclose its commercial and operational information to the Contractor for the purpose of the Construction. In order to protect the trade secret and related rights of the Employer, ancillary to the EPC Contract, MoEnCo and the Contractor also entered into the Non-compete Agreement on the same date as the EPC Contract for safeguarding the interests of MoEnCo.

Given (i) the selection of the Contractor was via tender and on assessment procedure which has taken into account both technical and commercial factors; (ii) the final pricing bid of the Contractor was below the range quoted by other independent contractors; (iii) the need for relocation of Supporting Facilities and the construction of DPP by the end of 2025 to new areas within the mine site in order to carry out the mining plan; (iv) the need to cope with the increased production, competitiveness and developments of the Khushuut Coal Mine; and (v) the protection and benefits offered to the Group under the Non-compete Agreement, the Board considers that the EPC Contract and the Non-compete Agreement (including the total contract price) are fair and reasonable and on normal commercial terms and the EPC Contract, the Non-compete Agreement and the transactions contemplated thereunder are in the interest of the Company and Shareholders as a whole.

9. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Construction and the Compensation exceeds 25%, the Construction together with the Compensation constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are, therefore, subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors had material interests in the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder, and hence no Director is required to abstain from voting on the Board resolution(s) at the Board meeting approving the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder, and therefore, no Shareholder will be required to abstain from voting on the resolution to be proposed at the SGM to approve the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder.

10. SGM

A notice convening the SGM to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 14 May 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

11. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 May 2024 to Tuesday, 14 May 2024, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 10 May 2024.

12. RECOMMENDATION

The Directors consider that the EPC Contract and the Non-compete Agreement were entered into in the ordinary and usual course of business of the Group, and the terms of the EPC Contract and the Non-compete Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution approving the EPC Contract and the Non-compete Agreement and the transactions contemplated thereunder to be proposed at the SGM.

13. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 March 2021, 31 March 2022 and 31 March 2023, the six months ended 30 September 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mongolia-energy.com):

- annual report of the Company for the year ended 31 March 2021 (pages 45 to 130);
- annual report of the Company for the year ended 31 March 2022 (pages 53 to 154);
- annual report of the Company for the year ended 31 March 2023 (pages 55 to 148); and
- interim report of the Company for the six months ended 30 September 2023 (pages 21 to 56).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 29 February 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the indebtedness of the Group was as follows:

Lease liabilities

As at 29 February 2024, the Group had unguaranteed and unsecured lease liabilities of approximately HK$9,026,000.

Convertible notes

As at 29 February 2024, the Group had outstanding convertible notes of principal amounts of approximately HK$2,809,671,000 and HK$628,387,000 issued to Chow Tai Fook Nominee Limited and Golden Infinity Co., Ltd respectively ("**Convertible Notes**") which was unsecured and unguaranteed. The carrying amount at 29 February 2024 of these Convertible Notes were approximately HK$2,999,456,000 and HK$670,738,000 respectively. The Convertible Notes carry 3% annual coupon interest and have maturity date on 6 March 2025.

Loan note

As at 29 February 2024, the Group had outstanding loan note of principal amount and carrying amount of approximately HK$574,860,000 and HK$570,674,000 respectively with 3% annual coupon interest and maturity date on 21 November 2024.

Advances from a Director

As at 29 February 2024, the Group had unsecured loans from Mr. Lo Lin Shing, Simon with aggregate amount of approximately HK$1,232,581,000 which was unsecured, unguaranteed and repayable on demand.

Contingent Liabilities

As at 29 February 2024, the Group did not have any contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from normal trade payables, other payables and accruals in the ordinary course of business, as at the close of business on 29 February 2024, the Group did not have outstanding indebtedness in respect of any loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchases commitments, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the effect of the EPC Contract, the Non-Compete Agreement, financial resources available to the Group including but not limited to cash flows from the operations of the Group, cash and cash equivalents available and the present available financing facilities of the Group, the Group will have sufficient working capital for its present requirements and for at least twelve months from the date of this circular in the absence of unforeseeable circumstances.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 March 2023 (being the date to which the latest published audited financial results of the Group were made up) up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In the second half of 2023, uncertainties such as the continuing Russia-Ukraine war, the Palestinian-Israeli conflict, US-China tensions, inflation and high interest rates were still weighing the global economy. The recovery of global economy after the Covid-19 pandemic was much slower than expected. With the weakening of the business and consumer sentiment, despite the growth of 2.8% in the first half of 2023, it was anticipated that the global economic growth would be slackened up to the end of 2023. Growth in the first half of 2023 was strong in Asia, much of the lift was attributed to China's reopening and the end of its zero-COVID policy. However, the real property crisis and fall of export had plagued China's economy from advancing further in the second half of 2023. Major banks cut China's 2023 GDP estimate to 5.1% from their previous forecast of 5.5%. According to the data from the National Bureau of Statistics of China, a GDP growth of 5.2% was recorded in the first three quarters of 2023. China's economy expanded by 4.9% in the July to September period, and the figure was higher than the median forecasted 4.5%. The better-than-expected third quarter growth was attributed to increased consumer spending and industrial production. It also demonstrates China's economy sustained the momentum of recovery and improvement with solid progress.

In the first half of 2023, China coal prices retreated sharply from the 2022 levels. In respect of coking coal, its prices fell substantially due to the surge of coking coal import from other countries such as Mongolia and Australia, and the weak domestic demand of China. In the second half of 2023, the Group considered the supply of coking coal to China would be stable, but the price was unlikely to have an incentive of going upward unless there was a drastic improvement in its overall economy.

China is the major export market for Mongolia. Mongolia exports most of its coal to China, up to 99% of its coal exports. According to Mongolia's customs data, Mongolia exported 66.4 million tonnes of coal to China in 2023.

For 2024, Mongolia has set its goal of coal exports at 60 million tonnes.

As recently reported, MoEnCo, the major operating subsidiary of the Group in Mongolia, has been subject to tax audit for the tax period from 2017 to 2020. As a result of the tax audit, the Mongolia General Tax Office has notified MoEnCo its findings that the total tax payables including additional taxes and penalties for this period are approximately US$52.1 million. The major issue involved is transfer pricing which accounted for the largest trunk of additional taxes and penalties. MoEnCo has made an appeal to the Tax Dispute Resolution Committee of Mongolia, and also engaged experienced professional teams for the conduct of this case. The Group will consider making their application to the Mongolian court if MoEnCo's appeal to the Tax Dispute Resolution Committee of Mongolia is unsuccessful. Based on the professional advice and the Group's review and assessment, the Company has made a partial provision of approximately HK$249.6 million for the present tax dispute.

Under the current unpredictable international economic and political backdrop, the road ahead is full of challenges. The Group will continue to adopt a prudent and proactive approach in the Group's operation and production planning in response to the ever-changing internal and external conditions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and underlying Shares

	Number of Shares				Number of underlying Shares				
Name of Directors	Personal interests	Spouse interests	Corporate interests		Personal Interests pursuant to share options	Corporate interests		Total interests	Percentage of shareholding
Mr. Lo Lin Shing, Simon ("**Mr. Lo**")	124,000	43,750	30,151,957	*(Note)*	1,800,000	602,204,563	*(Note)*	634,324,270	337.18%
Ms. Yvette Ong	27,250	–	–		1,800,000	–		1,827,250	0.97%
Mr. Lo, Rex Cze Kei	–	–	–		1,500,000	–		1,500,000	0.80%
Mr. Lo, Chris Cze Wai	–	–	–		1,500,000	–		1,500,000	0.80%
Mr. Lo, James Cze Chung	–	–	–		500,000	–		500,000	0.27%
Mr. To Hin Tsun, Gerald	135,000	–	–		500,000	–		635,000	0.34%
Mr. Tsui Hing Chuen, William *JP*	12,500	–	–		500,000	–		512,500	0.27%
Mr. Lau Wai Piu	5,030	–	–		500,000	–		505,030	0.27%
Mr. Lee Kee Wai, Frank	–	–	–		500,000	–		500,000	0.27%

Note: Golden Infinity Co., Ltd. ("**Golden Infinity**"), a company wholly-owned by Mr. Lo.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives and their respective associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Discloseable interests and short positions of substantial shareholders/other persons under the SFO

The register of interests in Shares and short positions maintained under section 336 of the SFO showed that as at the Latest Practicable Date, the Company had been notified of the following interests in Shares representing 5% or more of the Company's issued share capital:

Long position and short position of substantial shareholders/other persons in the Shares and/or underlying Shares

	Number of Shares and/or underlying Shares					
Name of Shareholders	Beneficial/ Personal interests	Spouse interests	Corporate interests	Total interests		Percentage of nominal value of issued share capital
Cheng Yu Tung Family (Holdings) Limited	–	–	2,698,101,424	2,698,101,424	*(Note 1)*	1,434.2%
Cheng Yu Tung Family (Holdings II) Limited	–	–	2,698,101,424	2,698,101,424	*(Note 1)*	1,434.2%
Chow Tai Fook (Holding) Limited	–	–	2,698,101,424	2,698,101,424	*(Note 1)*	1,434.2%
Chow Tai Fook Capital Limited	–	–	2,698,101,424	2,698,101,424	*(Note 1)*	1,434.2%
Chow Tai Fook Nominee Limited	2,698,101,424	–	–	2,698,101,424	*(Notes 1 & 2)*	1,434.2%
Ms. Ku Ming Mei, Rouisa	43,750	634,280,520	–	634,324,270	*(Note 3)*	337.18%
Golden Infinity	632,356,520	–	–	632,356,520		336.14%
Dr. Cheng Kar Shun	–	1,977,500	7,889,250	9,866,750	*(Note 4)*	5.24%
Ms. Ip Mei Hing	–	7,889,250	1,977,500	9,866,750	*(Note 4)*	5.24%

Notes:

1. Chow Tai Fook (Holding) Limited held 99.8% interest in Chow Tai Fook Nominee Limited. 81.03% interest of Chow Tai Fook (Holding) Limited was held by Chow Tai Fook Capital Limited in which it was held as to 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to 46.65% by Cheng Yu Tung Family (Holdings II) Limited. By virtue of the SFO, each of Cheng Yu Tung Family (Holdings II) Limited, Cheng Yu Tung Family (Holdings) Limited, Chow Tai Fook Capital Limited and Chow Tai Fook (Holding) Limited was deemed to be interested in 2,698,101,424 shares held by Chow Tai Fook Nominee Limited.

2. Among 2,698,101,424 shares held by Chow Tai Fook Nominee Limited, 2,692,601,424 shares were underlying shares.

3. Ms. Ku Ming Mei, Rouisa, the spouse of Mr. Lo, was deemed to be interested in 634,280,520 shares owned by Mr. Lo beneficially, under the SFO.

4. Dr. Cheng Kar Shun was interested in the entire issued share capital of Dragon Noble Group Limited ("**Dragon**"). By virtue of the SFO, he was deemed to be interested in 7,889,250 shares held by Dragon and 1,977,500 shares were owned by Ms. Ip Mei Hing (the spouse of Dr. Cheng Kar Shun) through her controlled corporation Brighton Management Limited.

3. DISCLOSURE OF OTHER INTERESTS

(a) Directors' service contracts

As at the Latest Practicable Date, Mr. Lo had a director service contract with the Company for a fixed term of three years, particulars of which are as follows:

Name	Term	Commencement date	Expiry date	Monthly remuneration	Early termination compensation
Mr. Lo	3 years	1 April 2022	31 March 2025	HK$500,000	Either party may early terminate the service contract by a compensation equivalent to twelve months' remuneration

Save as disclosed above, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

(b) Interests in competing business

During the current financial year and up to the date of this circular, to the best knowledge of the Directors, none of the Directors nor their respective associates was considered to have any interests in the businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as Directors to represent the interests of the Company and/or the Group.

(c) Directors' interests in contracts and assets

As at the Latest Practicable Date, save and except for (i) the tenancy agreement entered into between Cambo Management Limited and the Company on 8 May 2023; and (ii) the Logistics Services Framework Agreement (2023-2026) entered into between the Company and VVLJV (新疆遠見鴻業物流有限公司) on 3 March 2023; there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group and none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. LITIGATION

As at the Latest Practicable Date, saved as disclosed in the announcements dated 21 August 2023, 7 November 2023 and 28 February 2024 in relation to a notice of tax finding for additional payment of taxes and penalty of US$52.1 million, which MoEnCo has made an appeal to the Tax Dispute Resolution Committee of Mongolia, none of the members of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Group.

5. MATERIAL CONTRACTS

Save for the EPC Contract and the Non-compete Agreement, there are no other contracts entered into by the Group (not being contracts entered into in the ordinary course of business) within two years immediately preceding the Late Practicable Date which are or may be material.

6. GENERAL

(a) The Company Secretary of the Company is Mr. Tang Chi Kei. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.

(b) The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is 17th Floor, 118 Connaught Road West, Hong Kong.

(c) The Hong Kong branch share registrar of the Company is Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The English texts of this circular, the notice of the SGM and the form of proxy for use at the SGM shall prevail over their respective Chinese texts in case of inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mongolia-energy.com) from the date of this circular up to and including the date of the SGM:

(a) the EPC Contract;

(b) the Non-compete Agreement; and

(c) this circular.

MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

NOTICE IS HEREBY GIVEN that the special general meeting of Mongolia Energy Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") will be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 14 May 2024 at 11:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the entering into the engineering, procurement and construction contract (the "**EPC Contract**"), together with the non-compete agreement (the "**Non-compete Agreement**") both dated 6 March 2024 between MoEnCo LLC, an indirect wholly-owned subsidiary of the Company and Tangshan Shenzhou Manufacturing Group Co., Ltd.（唐山神州機械集團有限公司）(the "**Contractor**") in relation to the construction and installation work of a new dry coal processing plant with a processing capacity of 5 million tonne per annum in the Khushuut Coal Mine, upon the terms and subject to the conditions therein contained and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the board of the directors of the Company (the "**Board**") be and is hereby authorised to do all such acts and things, execute and deliver all such documents and take all such steps as it considers necessary, appropriate, desirable or expedient in connection with or to give effect to the EPC Contract, together with the Non-compete Agreement and the transactions contemplated thereunder, and to make or agree to such variations, amendments or waivers as are, in the opinion of the Board, in the interests of the Company."

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

Hong Kong, 25 April 2024

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
17th Floor
118 Connaught Road West
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person(s) as his/her proxy to attend and, on a poll, vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

3. Where there are joint holders of any share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled to vote, but if more than one of such joint holders be present at the meeting in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it. Completion and return of the form of proxy shall not preclude a member from attending the meeting and voting in person at the meeting or any adjourned meeting if he/she so desires. If a member attends the meeting after having deposited the form of proxy, his/her form of proxy shall be deemed to have been revoked.

4. The register of members will be closed from Monday, 13 May 2024 to Tuesday, 14 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the special general meeting, all transfers should be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 10 May 2024.

5. The resolution sets out in this notice will be voted on by poll.

6. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 8:00 a.m. on the date of the special general meeting, the meeting will be postponed. Details of alternative meeting arrangements will be published on the Company's website (www.mongolia-energy.com) and Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) in due course.

The special general meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the meeting under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

Shareholders who have any queries concerning the alternative meeting arrangements, please call the Customer Service Hotline of Tricor Standard Limited at telephone number (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays).