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## **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

### **DISCLOSEABLE TRANSACTION**

#### **CONSTRUCTION OF DUST SUPPRESSION WALL IN THE NEW CUSTOMS BONDED YARD AT THE KHUSHUUT COAL MINE**

##### **Construction Contract and Change Order**

On 22 July 2025, MoEnCo entered into the Construction Contract with the Contractor for the construction of the dust suppression wall in the new customs bonded yard at the Khushuut Coal Mine at the consideration of MNT 2,689,459,685 (equivalent to approximately HK\$5,863,022).

Work progress for completion of the dust suppression wall has been delayed due to the trial operation of the IPP. As MoEnCo wishes to complete the construction work of the dust suppression wall early next year, MoEnCo and the Contractor entered into the Change Order on 28 November 2025 to modify the terms of the Construction Contract at an additional consideration of MNT 784,100,374 (equivalent to approximately HK\$1,709,338) for continuous working during winter season.

In aggregating the consideration of the Change Order, the total consideration of the Construction is therefore MNT3,473,560,059 (equivalent to approximately HK\$7,572,360).

##### **Implication under the Listing Rules**

As all the applicable percentage ratios in respect of the Construction Contract as calculated under Rule 14.07 of the Listing Rules are below 5%, the Construction Contract, on a standalone basis, does not constitute a notifiable transaction of the Company and is therefore exempted from all disclosure requirements under Chapter 14 of the Listing Rules.

Nevertheless, pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related. As the Change Order and the Construction Contract were all entered into between MoEnCo and the Contractor within a 12-month period and were of similar nature, such transactions

shall be aggregated for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for the Construction Contract and the Change Order upon aggregation is more than 5% but less than 25%, the entering into of the Construction Contract and the Change Order constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Construction Contract**

On 22 July 2025, MoEnCo entered into the Construction Contract with the Contractor for the construction of the dust suppression wall in the new customs bonded yard at the Khushuut Coal Mine at the consideration of MNT 2,689,459,685 (equivalent to approximately HK\$5,863,022).

The principal terms of the Construction Contract are set out as follows:

Date: 22 July 2025  
Parties: (1) MoEnCo, as the client; and  
(2) Tsolmon Tsohiot LLC, as the contractor

### **Scope of work**

Pursuant to the Construction Contract, the Contractor is responsible for the construction of the dust suppression wall in the new customs bonded yard in full compliance with the relevant Mongolian construction regulations and standards at the Khushuut Coal Mine.

A customs bonded yard is a designated area where raw coking coal ready for export is stored and remained under the Mongolian customs supervision until it is exported. As MoEnCo is relocating its facilities including the new dry coal processing plant (Khushuut Intelligent Processing Plant (“**IPP**”)) pursuant to its mining plan, a new customs bonded yard is required in the new area. The coal storage area within the new customs bonded yard covers an area of approximately 10.5 hectares, with a coal storage capacity of 300,000 tonnes. A dust suppression wall of around 340m (length), 300m (width) and 12m (height) will be built around the coal storage area of the new customs bonded yard to effectively reduce dust pollution and improve air quality.

The Contractor shall be responsible for the construction work including the provision of all materials, equipment, tools, machinery and labour. It shall perform all services and effort necessary to complete the construction, testing, inspection, technical and state commissioning and acceptance of the construction work in respect of the dust suppression wall in full compliance with applicable Mongolian laws and regulations, construction standards, approved design drawing, and other requirements stated in the Construction Contract.

### **Construction Period**

The Contractor commenced the construction work on 25 July 2025 and shall fully complete the Construction within 80 calendar days from the date of commencement. The Contractor shall provide weekly progress update to the Client after the Construction Contract has become effective.

### **Performance guarantee**

The Contractor shall pay 5% of the total contract price to MoEnCo within 7 days after the Construction Contract is executed by the parties as a performance guarantee.

The performance guarantee shall be returned to the Contractor within 10 days after the full completion of the dust suppression wall and commissioning of use by the respective Mongolian authorities.

### **Consideration**

The consideration payable by MoEnCo to the Contractor under the Construction Contract is MNT 2,689,459,685 (equivalent to approximately HK\$5,863,022). which shall be payable in the following manner:

- a) 20% of the total contract price shall be paid within 10 working days upon the receipt of the performance guarantee and also after the receipt of the down payment invoice together with e-tax invoice from the Contractor;
- b) 25% of the total contract price shall be paid within 10 working days after the receipt of the Contractor's invoice, e-tax invoice and the original confirmation in written form, which is signed and approved by the parties, certifying that 50% of the dust suppression wall foundation work has been completed with high quality;
- c) 30% of the total contract price shall be paid within 10 working days after the receipt of the Contractor's invoice, e-tax invoice and the original confirmation in written form, which is signed and approved by the parties, certifying that the steel structure materials, wall posts and dust wall panels have been arrived on site;
- d) 20% of the total contract price shall be paid within 30 calendar days upon the receipt of the Contractor's invoice and e-tax invoice after the dust suppression wall construction has been fully completed and a note of acceptance is signed by the State commission and received by MoEnCo; and
- e) Retention: upon completion of the warranty period of twelve months, with no defect and consequential work issue to be followed up and no deduction of the contract amount by MoEnCo is required, the retention of 5% of the total contract price shall be released within 30 calendar days upon receipt of the approved invoice.

The Contractor was selected through an open tender in which seven bidders including the Contractor submitted their bids for MoEnCo's consideration. MoEnCo assessed the suitability of the contractors in various aspects including technical evaluation,

legal and financial aspects and the commercial terms offered. The Contractor was most competitive in various aspects of assessment and its bid was the lowest among the bidders. Furthermore, MoEnCo engaged in rounds of negotiation with the finalists in which the Contractor was selected.

The consideration was determined via open tender and after arm's length negotiations between MoEnCo and the Contractor.

### **The Change Order**

As the IPP began its trial operation since late August 2025, a significant amount of coal dust and ash was generated at the unloading point of the new customs bonded yard, creating a very poor on-site conditions and slowing down the construction progress. As a result, the concrete foundation construction, which should have been completed in August or September, could not be finished on schedule. In addition, with setting in of winter, the condensation of concrete takes time. According to present progress, if the construction work continues, it is expected that the whole construction project of the dust suppression wall would be completed in January 2026 for use. However, if the construction work is to pause at this juncture due to winter conditions, the construction work could only be resumed in May 2026 and the completion time would be pushed to around July 2026.

Even though there are no changes of the design or overall structure of the dust suppression wall, additional costs are required for the Contractor to continue working for the dust suppression wall under the adverse winter conditions. As the completion of the dust suppression wall on the new customs bonded yard is essential to our operation and should not be further delayed, MoEnCo agreed to enter into the Change Order to proceed the Construction swiftly.

The principal terms of the Change Order are set out as follows:

Date: 28 November 2025  
Parties: (1) MoEnCo, as the client; and  
(2) Tsolmon Tsohiot LLC, as the contractor

Work period: Up to until 30 January 2026

Consideration: MNT 784,100,374 (equivalent to approximately HK\$1,709,338)

The consideration under the Change Order was determined after arm's length negotiations between MoEnCo and the Contractor taking into account the number of days, fuel cost, cost of construction materials and equipment to facilitate working under adverse winter conditions. In aggregating the consideration of the Change Order, the total consideration of the Construction is therefore MNT3,473,560,059 (equivalent to approximately HK\$7,572,360).

The total consideration of the Construction Contract and the Change Order will be settled by the Group by way of internal resources.

## **Information on the Contractor**

The Contractor is a company incorporated in Mongolia with limited liabilities and is principally engaged in the provision of construction services. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor and its ultimate beneficial owner are Independent Third Parties.

## **Information of MoEnCo**

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.

## **Reasons for and benefits of the Construction and the entering into the Construction Contract and the Change Order**

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.

Based on the mining plan of the Group in the Khushuut Coal Mine, MoEnCo will use the present office and administration areas as soil dumping site in or around 2025 to 2026. Accordingly, MoEnCo is required to relocate the existing office and ancillary facilities to new areas within the mine site, and to construct, among others, the new office administration buildings, industrial office and a series of supporting facilities including the new customs bonded yard in the new areas.

The relocation of the existing facilities area could shorten the distances for soil dumping and export shipping; hence, maximizing the economic benefits from the cost perspective on coal production. As part of the relocating project, a dust suppression wall is required to be built around the coal storage area of the new customs bonded yard for environmental protection.

Given (i) the Contractor was selected through an open tender in which seven bidders including the Contractor submitted their bids for MoEnCo's consideration; (ii) the total consideration payable under the Construction Contract was determined via open tender and the Change Order under arm's length negotiations between MoEnCo and the Contractor; (iii) the need for relocation of supporting facilities to new areas within the mine site in order to continue carrying out the mining plan; (iv) the dust suppression wall is required for environmental protection; and (v) the Change Order is essential for swift completion of the dust suppression wall early next year; otherwise, there will be substantial delayed to the second half of the next year, the Board

considers that the Construction under the Construction Contract and the Change Order is in the ordinary and usual course of business of the Group and the terms of the Construction Contract and the Change Order are on normal commercial terms, fair and reasonable and the entering into of the Construction Contract and the Change Order and the respective transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole. Once the Contractor continues to carry on the construction during the winter session, the Directors do not foresee any further material delay of the completion of the dust suppression wall.

### **Implication of the Listing Rules**

As all the applicable percentage ratios in respect of the Construction Contract as calculated under Rule 14.07 of the Listing Rules are below 5%, the Construction Contract, on a standalone basis, does not constitute a notifiable transaction of the Company and is therefore exempted from all disclosure requirements under Chapter 14 of the Listing Rules.

Nevertheless, pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related. As the Change Order and the Construction Contract were all entered into between MoEnCo and the Contractor within a 12-month period and were of similar nature, such transactions shall be aggregated for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for the Construction Contract and the Change Order upon aggregation is more than 5% but less than 25%, the entering into of the Construction Contract and the Change Order constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **DEFINITIONS**

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

“Board”	the board of Directors
“Change Order”	amendments to the Construction Contract between MoEnCo and the Contractor dated 28 November 2025 that the Contractor is to continue building the dust suppression wall to its completion during the winter season, and apart from that and the additional consideration of MNT 784,100,374 (equivalent to approximately HK\$1,709,338), all terms and conditions under the Construction Contract remain unchanged.
“Company”	Mongolia Energy Corporation Limited, a company

	incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Construction”	the construction of the dust suppression wall in the new customs bonded yard by the Contractor at the Khushuut Coal Mine
“Construction Contract”	the construction contract dated 22 July 2025 and entered into between MoEnCo and the Contractor in relation to the Construction
“Contractor”	Tsolmon Tsohiot LLC, a company incorporated in Mongolia with limited liabilities with Mongolia company certificate number 5089743, and is beneficially owned by Mr. Enkh-Amgalan Batsukh, an Independent Third Party
“Director(s)”	director(s) of the Company
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“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.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MNT”	Mongolian Tugrik, the lawful currency of Mongolia
“MoEnCo” or “Client”	MoEnCo LLC, an indirect wholly-owned subsidiary of the Company in Mongolia. MoEnCo is also the client for the purpose of the Construction Contract
“percentage ratios”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“Share(s)”	Shares of the Company

“Shareholder(s)” holder(s) of Share(s)  
“Stock Exchange” The Stock Exchange of Hong Kong Limited  
“%” per cent.

*For the purposes of illustration only, amounts denominated in MNT in this announcement have been converted into HK\$ at the rate of MNT1.00 = HK\$0.00218*

*Such conversion should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

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

Hong Kong, 28 November 2025

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