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.

MEG

MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029) AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Advisor to the Independent Shareholders

SOMERLEY CAPITAL LIMITED

A letter from the board of directors of Mongolia Energy Corporation Limited is set out on pages 4 to 11 of this circular.

A letter from Somerley Capital Limited, the Independent Financial Advisor, containing its advice to the Independent Shareholders is set out on pages 12 to 26 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 Friday, 27 February 2026 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 Investor Services 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.

30 January 2026

CONTENTS

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

"Announcement"	the announcement of the Company dated 24 December 2025 relating to the CCTs
"Annual Caps"	the annual caps of service fee in respect of the Logistics Services Framework Agreement (2026-2029) for a term of three years subject to the approval of the Independent Shareholders at the SGM, effective from 1 April 2026 or the date of approval (if later than 1 April 2026) up to 31 March 2029
"Board"	the board of Directors
"Business Day(s)"	has the meaning ascribed thereto under the Listing Rules
"CCTs"	continuing connected transactions of the Company under the Logistics Services Framework Agreement (2026-2029)
"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 same meaning ascribed thereto under the Listing Rules
"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 Financial Adviser" or "Somerley"	Somerley Capital Limited, a licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Company advising the Independent Shareholders in respect of the Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including the Annual Caps)

"Independent Shareholders"	shareholders other than those who have material interests in the Logistics Services Framework Agreement (2026-2029) and are required to abstain from voting on the proposed resolution(s) approving the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps) and the transactions contemplated thereunder
"Latest Practicable Date"	27 January 2026, 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
"Logistics Services Framework Agreement (2023-2026)"	the logistics services framework agreement entered into between the Company and VVLJV dated 3 March 2023
"Logistics Services Framework Agreement (2026-2029)"	the new logistics services framework agreement entered into between the Company and VVLJV dated 24 December 2025, for a period not exceeding three years subject to the approval of the Independent Shareholders at the SGM, which will be effective from 1 April 2026 or the date of approval (if later than 1 April 2026) up to 31 March 2029
"Mr. Chris Lo"	Mr. Lo, Chris Cze Wai, an executive Director of the Company, the son of Mr. Lo and the brother of Mr. Rex Lo and Mr. James Lo
"Mr. James Lo"	Mr. Lo, James Cze Chung, an executive Director of the Company, the son of Mr. Lo and the brother of Mr. Rex Lo and Mr. Chris Lo
"Mr. Lo"	Mr. Lo Lin Shing, Simon, a substantial Shareholder, an executive Director and the chairman of the Company, and the father of Mr. Rex Lo, Mr. Chris Lo and Mr. James Lo
"Mr. Rex Lo"	Mr. Lo, Rex Cze Kei, an executive Director of the Company, the son of Mr. Lo and the brother of Mr. Chris Lo and Mr. James Lo
"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
"SGM"	a special general meeting of the Company to be convened and to approve the Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including the Annual Caps)
"Share(s)"	Shares of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vision Values"	Vision Values Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
"VVL"	新疆遠見物流有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Vision Values
"VVLJV"	新疆遠見鴻業物流有限公司, a joint venture company established in the PRC under a joint venture agreement entered between VVL and XPHY and is held as to 60% by VVL
"XPHY"	新疆鑫鵬鴻業物流有限公司, a company established in Xinjiang, the PRC with limited liability which is wholly owned by Mr. Guo, Changhong 郭長紅先生
"%"	per cent.

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
Mr. Lo, James Cze Chung

Non-executive Directors:
Mr. To Hin Tsun, Gerald
Mr. Choi Man Yu, Frankie

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

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

30 January 2026

To the Shareholders:

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029)

1. INTRODUCTION

Reference is made to the Announcement in relation to the CCTs, pursuant to which VVLJV agreed to provide logistics services to the Group for a period until 31 March 2029 effective from 1 April 2026 or the date of approval (if later than 1 April 2026) by the Independent Shareholders at the SGM.

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

2. THE LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029)

Date: 24 December 2025

Parties:

i. The Company; and

ii. VVLJV

Subject: VVLJV shall provide the Group with logistics services for coal and related products transportation in Xinjiang, the PRC including (i) gangue backfilling; and (ii) coal products (including delivery of clean coal or other coal related products from coal washing plants or warehouse to designated locations requested by customers or as otherwise required).

Term: Subject to the approval of the Independent Shareholders at the SGM, from 1 April 2026 or the date of approval (if later than 1 April 2026) to 31 March 2029. Both parties shall negotiate the renewal of the Logistics Services Framework Agreement (2026-2029) 90 days prior to the expiration of the Logistics Services Framework Agreement (2026-2029).

Pricing policy: Prices are determined with reference to the prevailing market prices, by comparing quotations from independent third-party service providers in the proximate region.

The pricing regarding logistics services to be provided by VVLJV to the Group shall not be higher than the pricing of the same categories of logistics services provided by the independent third parties to the Group.

Annual Caps:

Financial year	Annual Caps *RMB*
1 April 2026 to 31 March 2027	250,000,000
1 April 2027 to 31 March 2028	287,000,000
1 April 2028 to 31 March 2029	330,000,000

The Annual Caps in respect of the Logistics Services Framework Agreement (2026-2029) were determined with reference to (i) the historical logistics services transaction amount 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 logistics capacity of VVLJV.

Condition precedent: The Logistics Services Framework Agreement (2026-2029) is conditional upon the Independent Shareholders approving the Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including Annual Caps) at the SGM.

Jurisdiction: The Logistics Services Framework Agreement (2026-2029) shall be governed by the PRC law, with any arbitration to be carried out at the Beijing International Arbitration center in Chinese language. The result of the arbitration shall be binding on both parties.

Confidentiality: Save for regulatory compliance purposes, the Company shall not disclose details of the Logistics Services Framework Agreement (2026-2029) without VVLJV's written consent. Terms of confidentiality shall survive 3 years after the expiration of the Logistics Services Framework Agreement (2026-2029).

Other terms: Separate individual logistics services agreements pursuant to the Logistics Services Framework Agreement (2026-2029) will be entered into between individual members of the Group and VVLJV setting out, among other things, details of the actual logistics services required, pricing and payment terms of the transactions.

Parties to the Logistics Services Framework Agreement (2026-2029) shall ensure the aggregate transaction amount under the separate agreements will not exceed the respective annual caps for each of the financial year of the Company. If the actual aggregate transaction amount exceeds the then annual cap, the Group shall re-comply with the relevant Listing Rules (including but not limited to obtaining necessary shareholders' approval). VVLJV (with compliance of relevant laws and regulations) shall not refuse to provide such exceeded amount of logistics services.

Execution of the Logistics Services Framework Agreement (2026-2029) shall comply with the relevant requirements under the Listing Rules, the Group shall have the right to require VVLJV to execute accordingly.

The Logistics Services Framework Agreement (2026-2029) is non-exclusive in nature, the Group has the right to engage other logistics services providers for similar or other logistics services.

3. HISTORICAL FIGURES, EXISTING ANNUAL CAPS AND THE ANNUAL CAPS

The table below sets out the historical figures, the existing annual caps under the Logistics Services Framework Agreement (2023-2026) and the annual caps under the Logistics Services Framework Agreement (2026-2029).

Financial year 1/4/2023 to 31/3/2024			Financial year 1/4/2024 to 31/3/2025			Financial year 1/4/2025 to 31/3/2026			Financial year 1/4/2026 to 31/3/2027	Financial year 1/4/2027 to 31/3/2028	Financial year 1/4/2028 to 31/3/2029
Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Rate	Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Rate	Annual cap *(RMB'000)*	Actual amount* *(RMB'000)*	Rate	Annual Cap *(RMB'000)*	Annual Cap *(RMB'000)*	Annual Cap *(RMB'000)*
292,500	163,804	56%	365,625	182,327	50%	457,031	217,357	48%	250,000	287,000	330,000

* The actual amount of the transactions between the Group and VVLJV for the financial year ending 31 March 2026 is derived from the actual completion amount between 1 April 2025 and 30 November 2025 and an estimated amount from 1 December 2025 up to 31 March 2026 taking into account the prevailing market conditions including the prices of coking coal and the estimated demand of coking coal from customers, the scale of production of our Khushuut coal mine and capacities of our coal processing facilities.

The Group recorded approximately 51% in average of the annual caps allowed under the Logistics Services Framework Agreement (2023-2026). The actual logistics services transactions between the Group and VVLJV were far from the estimation of the Company at the time of setting the annual caps under the Logistics Services Framework Agreement (2023-2026). At the relevant time, the management of the Group anticipated an upmarket trends, but the global economic conditions soon experienced a downturn. This was followed by the continuous decline in coking coal price and demand in the PRC which impacted our business performance. In view of the level of logistics services transactions with VVLJV under the prevailing market conditions, the management of the Group set the annual caps for the Logistics Services Framework Agreement (2026-2029) by referencing the expected transaction amount between the Group and VVLJV for the financial year of the Company ending 31 March 2026, with a 15% increase in each of the subsequent annual caps under the Logistics Services Framework Agreement (2026-2029). The estimation on the Annual Caps has taken into account the resilience and potential recovery of the coal market in the PRC, and also to provide a flexible approach to the Group by increasing its coal production and export to compensate the declining coking coal price. The Company is of the view that the Annual Caps are fair and reasonable.

4. INTERNAL CONTROL

The Company has established internal control measures to ensure that the continuing connected transactions contemplated under the Logistics Services Framework Agreement (2026-2029) are in accordance with the pricing policies and internal procedures adopted by the Group, and that the terms of agreements and the price of the logistics services provided by VVLJV are on normal commercial terms and on terms no less favourable than those terms for similar logistics services obtained by the Group from independent third parties. Such internal control measures adopted by the Group include the following:

The Company has an internal control review committee ("**IC Committee**"), to oversee and monitor the on-going continuing connected transactions of the Group. The IC Committee comprises (i) the head of finance department; (ii) the head of the legal department; and (iii) the head of operation department. The IC Committee will report to the Board on all significant matters relating to all on-going continuing connected transactions of the Group.

Before entering into the continuing connected transactions pursuant to the Logistics Services Framework Agreement (2026-2029), the relevant staff of the operation department will obtain at least two quotations from independent third-party logistics services providers selected from the list of logistics services providers maintained by the Group from time to time to ensure that the pricing, payment and other major terms provided by VVLJV are no less favourable than those provided by other independent third-party logistics services providers. The independent third-party logistics services providers to be selected for quotation purposes will be selected on the basis of the Group's experience from previous logistics services obtained. In other words, the logistics services providers must be able to supply the required logistics services at competitive service fees and terms. The quotations together with the relevant supporting documents will then be reviewed by the operation department then approved by the IC Committee. The procedure will ensure that the actual service fees payable will be in accordance with the pricing policy under the Logistics Services Framework Agreement (2026-2029), and that the transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Group and the Shareholders as a whole.

To ensure the CCTs not to exceed the Annual Caps, executed continuing connected transactions will be recorded by the relevant business departments and they shall provide monthly logistics services data of the Group in the PRC to the finance and legal departments of the Group for summary analysis ("**Monthly CCT Report**"). The Monthly CCT Report will be reviewed by the IC Committee. In the event that the amount of the CCTs reaches 70% of the Annual Caps, reminders will be sent to the relevant business departments of the Group for tighter control on the continuance of the CCTs and reports will be required on a fortnightly basis to ensure that the Annual Caps will not be exceeded.

At any particular point of time, should the relevant business department notice that the transactions under CCTs will have the possibility of exceeding the Annual Caps, the relevant business departments will not enter further transactions and at once notify the finance and legal departments of the Group, as well as the IC committee for compliance of relevant Listing Rules requirements. Furthermore, both parties to the Logistics Services Framework Agreement (2026-2029) acknowledge and agree that the service amounts could not exceed the Annual Caps.

The audit committee of the Company will hold interim and annual meetings to review and discuss the Group's CCTs compliance and make recommendations and provide advices to the Company in respect of the irregular matters discovered pursuant to the Listing Rules.

5. INFORMATION OF VVLJV

VVLJV is owned as to 60% of the equity interest by Vision Values and 40% by XPHY and is an indirect non-wholly owned subsidiary of Vision Values. VVLJV's principal business is engaging in provision of logistics services in the PRC. XPHY is a company established in the PRC with limited liability and is wholly owned by Mr. Guo Changhong.

6. REASONS FOR AND BENEFITS OF ENTERING THE LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029)

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 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 requires logistics services providers to provide logistics services from time to time in the Xinjiang region of the PRC. VVLJV has been one of the Group's logistics services providers since May 2022 and the provision of the logistics services by VVLJV to the Group had been governed by the then logistics services framework agreements entered between the Group and VVLJV from time to time with the latest framework agreement to be expired by 31 March 2026. In view of the on-going engagement with VVLJV and the management experience of VVLJV in the provision of logistics services in Xinjiang, the Company considered that, the entering into the Logistics Services Framework Agreement (2026-2029) would continue to engage an additional logistics services provider for the Group to enhance its operation.

The terms of the Logistics Services Framework Agreement (2026-2029) were reached after arm's length negotiation between the Group and VVLJV. The Board (excluding the independent non-executive Directors, Mr. Lo, Ms. Yvette Ong, Mr. Rex Lo, Mr. Chris Lo and Mr. James Lo, who have material interests in the CCTs and have abstained from voting in the Board meeting) considers that the Logistics Services Framework Agreement (2026-2029) was entered into in the ordinary and usual course of business of the Group, and the terms of the Logistics Services Framework Agreement (2026-2029) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, VVLJV is indirectly held as to 60% by Vision Values. Mr. Lo, the substantial Shareholder, the chairman and executive Director of the Company, is also the controlling shareholder, chairman and executive Director of Vision Values. In view of Mr. Lo's shareholding and his corporate position in both the Company and Vision Values, Vision Values is a connected person of the Company. As VVLJV is indirectly held as to 60% by Vison Values, VVLJV is therefore also connected person of the Company. Accordingly, the transactions contemplated under the Logistics Services Framework Agreement (2026-2029) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the Annual Caps for the transactions contemplated under the Logistics Services Framework Agreement (2026-2029) are more than 5%, the CCTs are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to R13.39(6)(c) of the Listing Rules, in the event that all independent non-executive Directors have material interests in the relevant transaction or agreement, no independent board committee can be formed. As Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny, the independent non-executive Directors are also the independent non-executive directors of Vision Values, no independent board committee would be formed to advise the Independent Shareholders in connection with the terms of the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps). Somerley has been appointed as the independent financial adviser to advise the Independent Shareholders directly in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including the Annual Caps).

As at the Latest Practicable Date, Mr. Lo together with his spouse and via Golden Infinity Co., Ltd., a company solely beneficially owned by him, held 30,319,707 Shares, representing approximately 16.12% of the existing issued share capital of the Company. Mr. Lo together with a company solely beneficially owned by him also collectively owns 31.80% interest in Vision Values. Mr. Lo, Ms. Yvette Ong (interested in 27,250 Shares, or 0.01% of the existing issued share capital of the Company), Mr. Rex Lo, Mr. Chris Lo, Mr. James Lo, Mr. Tsui Hing Chuen, William *JP* (interested in 12,500 Shares, or 0.007% of the existing issued share capital of the Company), Mr. Lau Wai Piu (interested in 5,030 Shares, or 0.003% of the existing issued share capital of the Company), Mr. Lee Kee Wai, Frank, and Mr. Wei, Chi Kuan, Kenny who are directors of the Company, also held directorship in Vision Values. In view of the interests and/or corporate positions of Mr. Lo (including Golden Infinity Co., Ltd.), Ms. Yvette Ong, Mr. Rex Lo, Mr. Chris Lo, Mr. James Lo, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank, and Mr. Wei, Chi Kuan Kenny in Vision Values, they and their respective associates will abstain from voting in relation to the resolution(s) to approve the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps) at the SGM.

8. SGM

A notice convening the SGM to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 27 February 2026 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 Investor Services 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.

9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 24 February 2026 to Friday, 27 February 2026, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 23 February 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the SGM is therefore Friday, 27 February 2026.

10. RECOMMENDATION

The Directors (excluding the independent non-executive Directors, Mr. Lo, Ms. Yvette Ong, Mr. Rex Lo, Mr. Chris Lo and Mr. James Lo who have material interests in the CCTs and have abstained from voting in the Board meeting) consider that the Logistics Services Framework Agreement (2026-2029) was entered into in the ordinary and usual course of business of the Group, and the terms of the Logistics Services Framework Agreement (2026-2029) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

11. ADDITIONAL INFORMATION

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

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

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Shareholders in respect of the Logistics Services Framework Agreement (2026-2029).

SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

30 January 2026

To: The Independent Shareholders

Dear Sirs or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029)

INTRODUCTION

We refer to our appointment to advise the Independent Shareholders in connection with the Logistics Services Framework Agreement (2026-2029) with VVLJV and the Annual Caps (together, the "**Transactions**"). Details of the aforesaid transactions are set out in the letter from the Board contained in the circular of the Company (the "**Circular**") to its shareholders dated 30 January 2026, of which this letter forms part. Unless otherwise defined, terms used in this letter shall have the same meanings as those defined in the Circular.

On 24 December 2025, the Company renewed the Logistics Services Framework Agreement (2023-2026) through the new Logistics Services Framework Agreement (2026-2029) with VVLJV, pursuant to which VVLJV agreed to provide logistics services to the Group for a period not exceeding three years, subject to the approval by the Independent Shareholders at the SGM, effective from 1 April 2026 or the date of approval (if later than 1 April 2026) up to 31 March 2029.

As at the Latest Practicable Date, VVLJV is indirectly held as to 60% by Vision Values. Mr. Lo, the substantial shareholder, chairman and executive Director of the Company, is also the controlling shareholder, chairman and executive director of Vision Values. In view of Mr. Lo's shareholding and his corporate positions in both the Company and Vision Values, Vision Values is a connected person of the Company. As VVLJV is indirectly held as to 60% by Vision Values, VVLJV is therefore also a connected person to the Company. Accordingly, the transactions contemplated under the Logistics Services Framework Agreement (2026-2029) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the Annual Caps for the transactions contemplated under the Logistics Services Framework Agreement (2026-2029) are more than 5%, the CCTs are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to R13.39(6)(c) of the Listing Rules, in the event that all independent non-executive Directors of an issuer have material interests in the relevant transaction or agreement, no independent board committee can be formed. As Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny, being the independent non-executive Directors are also the independent non-executive directors of Vision Values, no independent board committee would be formed to advise the Independent Shareholders in connection with the terms of the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps). We, Somerley, have been appointed as the independent financial adviser to advise the Independent Shareholders directly in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including the Annual Caps). As at the Latest Practicable Date, Mr. Lo together with his spouse and via Golden Infinity Co., Ltd., a company solely beneficially owned by him, held 30,319,707 Shares, representing approximately 16.12% of the existing issued share capital of the Company. Mr. Lo together with a company solely beneficially owned by him also collectively owns 31.80% interest in Vision Values. Mr. Lo, Ms. Yvette Ong (interested in 27,250 Shares, or 0.01% of the existing issued share capital of the Company), Mr. Rex Lo, Mr. Chris Lo, Mr. James Lo, Mr. Tsui Hing Chuen, William *JP* (interested in 12,500 Shares, or 0.007% of the existing issued share capital of the Company), Mr. Lau Wai Piu (interested in 5,030 Shares, or 0.003% of the existing issued share capital of the Company), Mr. Lee Kee Wai, Frank, and Mr. Wei, Chi Kuan, Kenny who are directors of the Company, also held directorship in Vision Values. In view of the interests and/or corporate positions of Mr. Lo (including Golden Infinity Co., Ltd.), Ms. Yvette Ong, Mr. Rex Lo, Mr. Chris Lo, Mr. James Lo, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank, and Mr. Wei, Chi Kuan Kenny in Vision Values, they and their respective associates will abstain from voting in relation to the resolution(s) to approve the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps) at the SGM.

BASIS OF OUR ADVICE

We are not associated or connected with the Company, VVLJV or their respective core connected persons or associates and, accordingly, are considered eligible to give independent advice on the Transactions. In the past two years prior to this appointment, we did not have any engagement with the Company or its associates except for having been the independent financial adviser to the Company relating to the connected transaction as regard subscription of convertible notes, details of which were set out in the Company's circular dated 25 April 2025.

We do not consider the past engagement as independent financial adviser gives rise to any conflict for Somerley to act as the independent financial adviser for the Transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, VVLJV or their respective core connected persons or associates.

In formulating our advice and recommendation, we have reviewed information on the Company, including but not limited to, the Logistics Services Framework Agreement (2026-2029) with VVLJV, annual reports of the Company for each of the years ended 31 March 2023 ("**FY2023**"), 31 March 2024 ("**FY2024**") ("**2024 Annual Report**") and 31 March 2025 ("**FY2025**") (the "**2025 Annual Report**") (together, the "**Annual Reports**"), interim report of the Company for the six months ended 30 September 2025 ("**1HFY2026**") (the "**Latest Interim Report**"), and other information contained in the Circular.

In addition, we have relied on the information and facts supplied, and the opinions expressed by the Directors and management of the Company (collectively, the "**Management**"), which we have assumed to be true, accurate and complete in all material aspects at the time they were made and will remain true, accurate and complete in all material aspects up to the date of the SGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, VVLJV nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Transactions, we have considered the following principal factors and reasons:

1. Information on the parties

Information on the Group

The Company is a public limited liability company incorporated in Bermuda and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in mining and exploration, processing and sale of coal. The principal project of the Group is the coking coal project in Khushuut, Khovd Province, Western Mongolia (the "**Khushuut Mine Project**"). During the financial year ended 31 March 2025, approximately 6.8 million tonnes of run-of-mine coal were produced and approximately 2.1 million tonnes of coal, including clean coking coal, raw coal and thermal coal, were sold to the Company's customers in the PRC and Mongolia.

Set out below is the Company's financial highlights extracted from the 2024 Annual Report, the 2025 Annual Report and the Latest Interim Report:

	For the six months ended 30 September		**For the year ended 31 March**		
	2025	**2024**	**2025**	**2024**	**2023**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	871,143	1,699,926	2,861,190	3,173,215	2,905,309
Gross profit	84,401	640,711	851,171	1,186,888	1,085,096
(Loss)/Profit attributable to owners of the Company	(740,152)	(442,906)	(1,376,650)	1,677,921	(1,603,099)

	As at 30 September	**As at 31 March**	
	2025	**2025**	**2024**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
	(unaudited)	(audited)	(audited)
Total assets	2,479,719	3,075,321	4,215,361
Total liabilities	(7,286,203)	(7,152,390)	(6,900,614)
Capital deficiencies attributable to owners of the Company	(4,806,484)	(4,077,069)	(2,685,253)

For each of the year/period as stated above, the Company has only one single business segment which is coal mining. According to the 2024 Annual Report, the Group reported revenue of approximately HK$3,173.2 million for FY2024, representing a year-on-year increase of around 9.2% from approximately HK$2,905.3 million for FY2023 mainly due to the increase in sales volume of clean coking coal to counteract the fall in the average coal selling price trend. Gross profit of the Group also showed a similar improvement of around 9.4% from FY2023 to FY2024. Profit attributable to owners of the Company for FY2024 demonstrated a significant improvement to approximately HK$1,677.9 million from a loss of approximately HK$1,603.1 million for FY2023, primarily due to, among others, (i) the increase in fair value on derivative component of convertible notes; and (ii) the reversal of impairment losses on Khushuut mine related assets in aggregate of approximately HK$1,091.3 million recognised for FY2024 with regards to the increase in recoverable amount on Khushuut mine related assets due to the increase in the then projected sales quantity based on mining plans and take into account additional coals processed by the third party washing facilities, according to the 2024 annual Report, as compared to an impairment losses recognised of approximately HK$1,360.9 million in FY2023.

As disclosed in the 2025 Annual Report, the Group reported revenue of approximately HK$2,861.2 million for FY2025, representing a decrease of approximately 9.8% from that of FY2024 and this was mainly due to the continuous decline in coking coal prices in the PRC. Gross profit of the Group further dropped by around 28.3% from FY2024 to FY2025 primarily due to lower profit margin from declining average coking coal selling price. Further, the Group recorded a loss attributable to owners of the Company of approximately HK$1,376.7 million for FY2025 comparing with the profit attributable to owners of the Company of approximately HK$1,677.9 million for FY2024 primarily due to the record of impairment losses on Khushuut mine related assets in aggregate of approximately HK$1,299.1 million with regards to the decrease in recoverable amount on Khushuut mine related assets as a result of the decline in average coking coal price in FY2025.

As disclosed in the Latest Interim Report, for the 1HFY2026, revenue of approximately HK$871.1 million was recorded, representing a significant drop of approximately 48.8% as compared to the corresponding period revenue of approximately HK$1,699.9 million for the six months ended 30 September 2024 ("**1HFY2024**"). As discussed in the Latest Interim Report, the main reason of the drop in revenue was due to the persistent decline in coking coal prices in the PRC despite the concerted efforts of the Group adopting defensive strategies to mitigate the impact. Loss attributable to owners of the Company of approximately HK$740.2 million was reported for 1HFY2026, representing an increase of around 67.1% as compared to a loss of approximately HK$442.9 million for 1HFY2024 which was mainly due to the decline in gross profit and fair value loss on derivative component of convertible notes.

Capital deficiencies widened from approximately HK$2,685.3 million at 31 March 2024 to approximately HK$4,077.1 million as at 31 March 2025 and further to roughly HK$4,806.5 million as at 30 September 2025, which was mainly due to the declining financial performance of the Company as mentioned above which negatively impacted reserves of the Company.

Information on VVLJV

VVLJV is owned as to 60% of the equity interest by Vision Values and 40% by XPHY and is an indirect non-wholly owned subsidiary of Vision Values. VVLJV's principal business is engaging in provision of logistics services in the PRC. XPHY is a company established in the PRC with limited liability and is wholly owned by Mr. Guo Changhong.

2. Logistics Services Framework Agreement (2026-2029) with VVLJV

2.1 Reasons for and benefits of the Logistics Services Framework Agreement (2026-2029)

As disclosed in the letter from the Board of the Circular, the Group requires logistics services providers to provide logistics services from time to time in the Xinjiang region of the PRC. VVLJV has been one of the Group's logistics services providers since May 2022 and the provision of the logistics services by VVLJV to the Group had been governed by the then logistics services framework agreements entered into between the Group and VVLJV from time to time with the latest framework agreement to be expired by 31 March 2026. In view of the on-going engagement with VVLJV and the management experience of VVLJV in the provision of logistics services in Xinjiang, the Company considered that, the entering into the Logistics Services Framework Agreement (2026-2029) would allow the Group to continue to engage VVLJV as an additional logistics services provider for the Group to enhance its operation.

We understand from the Company that the Group also engages other external logistics services providers for similar services as described under the Logistics Services Framework Agreement (2026-2029) and VVLJV would only be awarded with the contracts if the terms, including (i) capacity meets the Company's requirements; and (ii) that of pricing terms offered are the same as or better than the terms offered by independent third party logistics services providers.

We have further discussed and understand from the Management that the Group has maintained a smooth and effective relationship with VVLJV since it became one of the logistics services providers of the Company, and it is satisfied to continue engaging VVLJV as one of the possible logistics services providers of the Company.

As such, in light of:

(i) the experience of VVLJV in the provision of logistics services in Xinjiang;

(ii) the necessity of logistics services to facilitate the Group's business operations;

(iii) the entering into the Logistics Services Framework Agreement (2026-2029) would benefit the Company's business operations by adding another reliable logistics service provider to its existing service provider list to cater for the growing market demand for its products; and

(iv) the Group would only engage VVLJV as its services provider if, among other things, its terms, including pricing terms, are on normal commercial terms or better, we agree with the Directors and consider that engaging VVLJV as a possible additional service provider would allow flexibility in the Company's choice of service providers in carrying out its ordinary and usual course of business and is therefore in the interests the Company and Independent Shareholders as a whole.

2.2 Terms of the Logistics Services Framework Agreement (2026-2029)

The key terms of the Logistics Services Framework Agreement (2026-2029) are as follows:

Subject:	VVLJV shall provide the Group with logistics services for coal and related products transportation in Xinjiang, the PRC including (i) gangue backfilling; and (ii) coal products (including delivery of clean coal or other coal related products from coal washing plants or warehouse to designated locations requested by customers or as otherwise required).
Pricing Policy:	Prices are determined with reference to the prevailing market prices, by comparing quotations from independent third-party service providers in the proximate region. The pricing regarding logistics services to be provided by VVLJV to the Group shall not be higher than the pricing of the same categories of logistics services provided by the independent third parties to the Group.
Other terms:	Separate individual logistics services agreements pursuant to the Logistics Services Framework Agreement (2026-2029) will be entered into between individual members of the Group and VVLJV setting out, among other things, details of the actual logistics services required, pricing and payment terms of the transactions. Parties to the Logistics Services Framework Agreement (2026-2029) shall ensure the aggregate transaction amount under the separate agreements will not exceed the respective annual caps for each of the financial year of the Company. If the actual aggregate transaction amount exceeds the then annual cap, the Group shall re-comply with the relevant Listing Rules (including but not limited to obtaining necessary shareholders' approval). VVLJV (with compliance of relevant laws and regulations) shall not refuse to provide such exceeded amount of logistics services.

Execution of the Logistics Services Framework Agreement (2026-2029) shall comply with the relevant requirements under the Listing Rules, the Group shall have the right to require VVLJV to execute accordingly.

The Logistics Services Framework Agreement (2026-2029) is non-exclusive in nature, the Group has the right to engage other logistics services providers for similar or other logistics services.

Please refer to the section headed "*2. The Logistics Services Framework Agreement (2026-2029)*" in the letter from the Board of the Circular for further details of the terms of the Logistics Services Framework Agreement (2026-2029). Save for that the parties shall negotiate the renewal of the Logistics Services Framework Agreement (2026-2029) 90 days prior to its expiration, instead of 30 days prior to expiration as provided in the Logistics Services Framework Agreement (2023-2026), principal terms including pricing policy of the Logistics Services Framework Agreement (2026-2029) are substantially the same as those of the Logistics Services Framework Agreement (2023-2026).

We have discussed and understood from the Management that the procurement of the logistics services has historically been executed by way of comparing quotations with at least two independent third party logistics service providers from the list of pre-approved logistics service providers maintained by the Group.

We understand from the Management that the Company has entered into similar logistics services agreements with independent third parties for similar services as provided under the Logistics Services Framework Agreement (2023-2026) and the Logistics Services Framework Agreement (2026-2029). Based on our understanding, the Company would compare terms and prices among different logistics service suppliers each month and enter into service contracts for that month with suppliers offering lowest price for each route for that month. As such, we have requested the Company to provide us with all contracts entered into with VVLJV for different routes of a single month selected by us for each year from 1 April 2023 up to 30 November 2025 and corresponding quotations from independent third parties of the same month ("**Sample Transactions**") for comparison purposes. We noted from the Sample Transactions that the Company collected and compared quotations from suppliers which included at least two independent third parties, and then selected and engaged the logistics services provider who offered the lowest price for each route for that month.

We further note from our discussions with the Management that, as described in the section headed "*3. Internal Control*" below, the Group would normally select the short-listed service provider with the lowest quoted prices for the service required and in accordance with the internal policy procedures as described, any transactions entered into by the Group with a service provider is required to be reviewed by the relevant departments of the Group, to ensure that pricing policies for the service is strictly adhered to. We have noted and obtained sample approval documents and noted that the procedures were adhered to. We were further confirmed by the Management that such policies will continue to be followed in accordance with the internal control policies described in the section headed "3. Internal Control" below.

In view of (i) the entering into of the Logistics Services Framework Agreement (2026-2029) will not make the Group becoming obliged to enter into any transactions with VVLJV, but will allow VVLJV, if they are able to match or exceed the qualifications required for the services being procured, to be available as one of the providers of the services for the selection by the Group when required in order to facilitate the growth in the Group's businesses; (ii) the benefits to be brought about pursuant to the Logistics Services Framework Agreement (2026-2029) as discussed in the sub-section headed "*2.1 Reasons for and benefits of the Logistics Services Framework Agreement (2026-2029)*" above; and (iii) terms of the transaction(s) under the Logistics Services Framework Agreement (2026-2029) shall be no less favourable to the Group than those offered by the independent third parties, we concur with the view of the Directors that the terms of the Logistics Services Framework Agreement (2026-2029) are fair and reasonable so far as the Company and its shareholders are concerned.

2.3 Annual Caps

As stated in the letter from the Board of the Circular, the following table outlines the historical transacted amounts between the Group and VVLJV under the Logistics Services Framework Agreement (2023-2026):

Financial year	**Annual cap** *(RMB'000)*	**Actual transacted amount** *(RMB'000)*	**Utilisation**
1 April 2023 to 31 March 2024 (FY2024)	292,500	163,804	56%
1 April 2024 to 31 March 2025 (FY2025)	365,625	182,327	50%
1 April 2025 to 31 March 2026 ("**FY2026**")	457,031	217,357 *(Note 1)*	48%

Note 1: The actual amount of the transactions between the Group and VVLJV for FY2026 is derived from the actual completion amount between 1 April 2025 and 30 November 2025 and an estimated amount from 1 December 2025 up to 31 March 2026 taking into account the prevailing market conditions including the prices of coking coal and the estimated demand of coking coal from customers, the scale of production of our Khushuut coal mine and capacities of our coal processing facilities.

Based on the table above, the Group recorded utilisation of the annual caps under the Logistics Services Framework Agreement (2023-2026) of approximately 51% on average between FY2024 and FY2026. According to the Management, the actual logistics services transactions between the Group and VVLJV were below the estimation of the Company at the time of setting the annual caps under the Logistics Services Framework Agreement (2023-2026) due to mainly the subsequent downturn of the global economic conditions together with the decline in coking coal price in the PRC since the second half of 2023.

As provided by the Management, we understand that the actual transacted amount for the eight months period between 1 April 2025 to 30 November 2025 was approximately RMB151.4 million. We further understand from the Management that the above FY2026 transaction amount of approximately RMB217.4 million is estimated based on (a) the aforesaid actual eight-month transacted amount and (b) an estimated amount from 1 December 2025 up to 31 March 2026 taking into account the prevailing market conditions including the prices of coking coal and the estimated demand of coking coal from customers, the scale of production of our Khushuut coal mine and capacities of our coal processing facilities. We noted that such estimated FY2026 transaction amount of approximately RMB217.4 million is close to the annualised transaction amount of approximately RMB227.1 million based on the actual transacted amount between 1 April 2025 to 30 November 2025.

As also disclosed in the letter from the Board of the Circular, the Annual Caps in respect of the Logistics Services Framework Agreement (2026-2029) are as follows:

Financial year	**Annual Caps** *(RMB'000)*
1 April 2026 to 31 March 2027 ("**FY2027**")	250,000
1 April 2027 to 31 March 2028 ("**FY2028**")	287,000
1 April 2028 to 31 March 2029 ("**FY2029**")	330,000

In view of the level of logistics services transactions with VVLJV under the prevailing market conditions, the Management set the Annual Caps for the Logistics Services Framework Agreement (2026-2029) by referencing the expected transaction amount between the Group and VVLJV for FY2026, with a 15% increase in the FY2026 transaction amount and each of the subsequent Annual Caps under the Logistics Services Framework Agreement (2026-2029). As disclosed in the letter from the Board of the Circular, the estimation on the Annual Caps has taken into account the resilience and potential recovery of the coal market in the PRC, and also provides flexibility for the Group to increase its coal production and export to compensate the declining coking coal price.

In assessing the fairness and reasonableness of the Annual Caps, we have considered the following aspects including:

(a) historical volume of coal exported and sales and historical logistics services transaction amounts of the Group

We have discussed and understand from the Management that when determining the Annual Caps for each of FY2027, FY2028 and FY2029, the Company has mainly applied an annual growth rate of around 15% in estimating the Group's estimated total demand for logistics services for transportation routes it operates on for the three years ending 31 March 2029 which, in turn, is also correlated with the Group's expected export and sales volume of coal during the period.

Based on the Annual Reports and the Latest Interim Report, we noted that the Group's raw coking coal export volume to the PRC had grown from around 1,285,700 tonnes for FY2022 to a high of around 3,046,900 tonnes for FY2025 and went down to around 2,696,800 tonnes on an annualised basis for FY2026 by annualising the raw coking coal export volumes of 1,348,400 tonnes for 1HFY2026, representing an average annual growth rate of around 23.7% between FY2022 and FY2026 (the "**Average Historical Raw Coal Export Growth**").

Based on the Annual Reports and the Latest Interim Report, we also noted that the Group's sales volume of clean coking coal had grown from around 802,300 tonnes for FY2022 to around 1,980,800 tonnes for FY2025, and slightly down to around 1,702,000 tonnes on an annualised basis for FY2026 by annualising the clean coking coal sales volume of 851,000 tonnes for 1HFY2026, representing an average annual growth rate of around 24.3% between FY2022 and FY2026 (the "**Average Historical Clean Coal Sales Volume Growth**").

In addition, we have also reviewed that the transacted amounts under the Logistics Services Framework Agreement (2023-2026) for each of FY2024, FY2025 and FY2026 have grown by around 11.3% and 19.2% respectively with an average growth rate of around 15.3% (the "**Average Historical Logistics Growth**").

In view of the growth rates on the Average Historical Raw Coal Export Growth of around 23.7%, the Average Historical Clean Coal Sales Volume Growth of around 24.3%, and the Average Historical Logistics Growth of around 15.3%, we consider the application of around 15% year-on-year growth in arriving at the Annual Caps between FY2027 and FY2029 is not unreasonable.

(b) estimated demand of logistics services and flexibility required for the operation and development of the Group

Based on our discussion with the Company and having reviewed the estimation provided, we are given to understand that the estimated demand of logistics services for coal and related products in the PRC are: (i) gangue backfilling transportation services; and (ii) clean coal transportation services. Based on our understanding from the Management, the transacted amount relating to the gangue backfilling transportation services represented less than 5% of the total transacted amount for each of the three years between FY2024 and FY2026 and therefore, logistics services provided under the Logistics Services Framework Agreement (2026-2029) have been and are expected to be mainly relating to the transportation of clean coal to certain clients, their designated sites or transfer station(s) for further despatch and sale of clean coal.

We have discussed and understand from the Management that estimated demand of transportation services is also referenced to the Company's major clients' estimated quantity demand of clean coking coal requiring logistic services. In this regard, we have requested for and reviewed an indicated demand as provided by one of the Company's major customers which have consistently contributed to over 50% of the Group's annual clean coking coal sales volume as well as total revenue in the past two financial years, and have utilised logistics services of over 55% of the actual transacted amount under the existing Logistics Services Framework Agreement (2023-2026) for the first eight months for FY2026. Based on the information provided, such major customer has indicated an increase in clean coking coal purchases from the Group to approximately 1.2 million tonnes for the period from January to December 2026, which represents an increase of roughly 22.9% from the annualised volume of around 976,200 tonnes based on its purchased volume of around 488,100 tonnes for the 1HFY2026 as disclosed in the Latest Interim Report.

As disclosed in the 2025 Annual Report and the Latest Interim Report, the Company's coking coal demand is predominantly from steel manufacturing industry in China, and China's steel demand and prices, for both internal and export, have recently experienced pressures. Despite the aforesaid, while the logistics services provided under the Logistics Services Framework Agreement (2026-2029) are essential for the normal operations of the Group, the embedded increase of around 15% per annum in Annual Caps, apart from catering for possible future business growth should it realise having considered the Average Historical Raw Coal Export Growth, the Average Historical Clean Coal Sales Volume Growth, the Average Historical Logistics Growth and the indicated demand from customers, is also important in providing flexibility for the Group to minimise the chance of operation disruption and mitigate the burden of the Group to bear additional time and costs to conduct revision of the Annual Caps as a result of the Group's adjustments on business strategies such as pricing strategies to boost its coal sales volume from time to time, and/or possible unexpected increase in transaction amount due to unexpected one-off and/or occasional increase in demand and/or unit price of the logistics services and therefore, is not considered excessive.

Based on all the factors discussed above, we are of the view that the basis used for determining the Annual Caps to be fair and reasonable.

3. Internal Control

As disclosed in the letter from the Board, the Company has established internal control measures to ensure that the continuing connected transactions contemplated under the Logistics Services Framework Agreement (2026-2029) are in accordance with the pricing policies and internal procedures adopted by the Group, and that the terms of agreements and the price of the logistics services provided by VVLJV are on normal commercial terms and on terms no less favourable than those terms for similar logistics services obtained by the Group from independent third parties. Such internal control measures adopted by the Group include the followings.

The Company has an internal control review committee ("**IC Committee**"), to oversee and monitor the on-going continuing connected transactions of the Group. The IC Committee comprises (i) the head of finance department; (ii) the head of the legal department; and (iii) the head of operation department. The IC Committee will report to the Board for all significant matters related to all on-going continuing connected transactions of the Group.

Before entering into the continuing connected transactions pursuant to the Logistics Services Framework Agreement (2026-2029), the relevant staff of the operation department will obtain at least two quotations from independent third-party logistics services providers selected from the list of pre-approved logistics service providers maintained by the Group to ensure that the pricing, payment and other major terms provided by VVLJV are no less favourable than those provided by independent third-party logistics services providers. The independent third-party logistics services providers to be selected for quotation purposes will be selected on the basis of the Group's experience from previous logistics services obtained. In other words, the logistics service providers must be able to supply the required logistics services at competitive service fees and terms. In this regard and as mentioned under the sub-section headed "*2.2 Terms of the Logistics Services Framework Agreement (2026-2029)*" above, we have reviewed the quotations of the Samples Transactions between April 2023 and November 2025 and we note that the Company collected and compared quotations from logistics services providers which included at least two independent third parties, and then selected and engaged the logistics services provider who offered the lowest price for each route for that month. The quotations together with the relevant supporting documents will then be reviewed by the finance department then approved by the IC Committee. The procedure will ensure that the actual service fees payable will be in accordance with the pricing policy under the Logistics Services Framework Agreement (2026-2029) and that the transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Group and the Shareholders as a whole.

To ensure the CCTs do not exceed the Annual Caps, executed continuing connected transactions will be recorded by the relevant business departments and they shall provide monthly logistics services data of the Group in the PRC to the finance and legal departments of the Group for summary analysis ("**Monthly CCT Report**"). The Monthly CCT Report will be reviewed by the IC Committee. In the event that the amount of the CCTs reaches 70% of the Annual Caps, reminders will be sent to the relevant business departments of the Group for tighter control on the continuance of the CCTs and reports will be required on a fortnightly basis to ensure the Annual Caps will not be exceeded.

At any particular point of time, should the relevant business department notice that the transactions under CCTs will have the possibility of exceeding the Annual Caps, the relevant business departments will not enter further transactions and at once notify the finance and legal departments of the Group, as well as the IC committee for compliance of relevant Listing Rules requirements. Furthermore, both parties to the Logistics Services Framework Agreement (2026-2029) acknowledge and agree that the services amounts could not exceed the Annual Caps.

The audit committee of the Company will hold interim and annual meetings to review and discuss the Group's CCTs compliance and make recommendations and provide advice to the Company in respect of the irregular matters discovered pursuant to the Listing Rules.

We consider the requirement to obtain and compare with at least two independent quotes is reasonable for the Company to assess the then prevailing market terms of the similar logistics services offered by independent third parties. As such, we concur with the view of the Directors that the internal control procedures and policies relating to the Logistics Services Framework Agreement (2026-2029) has demonstrated the Group's practices of getting access to market information and having regular assessment on the terms of the Logistics Services Framework Agreement (2026-2029) so as to ensure that the terms offered by VVLJV will be no less favourable to the Group than those prevailing in the market for similar services.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons set out above, we are of the view that that the terms of the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps) are on normal commercial terms and in the ordinary and usual course of business of the Group and are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Logistics Services Framework Agreement (2026-2029) with VVLJV is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Logistics Services Framework Agreement (2026-2029) and the adoption of the respective Annual Caps.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.

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 Company. 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 respects 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

Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required 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) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, 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	124,000	43,750	30,151,957	(Note)	–	1,219,009,522	(Note)	1,249,329,229	664.09%
Ms. Yvette Ong	27,250	–	–		–	–		27,250	0.01%
Mr. Lo, Rex Cze Kei	–	–	–		–	–		–	0%
Mr. Lo, Chris Cze Wai	–	–	–		–	–		–	0%
Mr. Lo, James Cze Chung	–	–	–		–	–		–	0%
Mr. To Hin Tsun, Gerald	135,000	–	–		–	–		135,000	0.07%
Mr. Choi Man Yu, Frankie					–			–	0%
Mr. Tsui Hing Chuen, William$_{JP}$	12,500	–	–		–	–		12,500	0.01%
Mr. Lau Wai Piu	5,030	–	–		–	–		5,030	0%
Mr. Lee Kee Wai, Frank	–	–	–		–	–		–	0%
Mr. Wei Chi Kwan, Kenny	–	–	–	–	–	–		–	0%

Note: The relevant Shares were held by Golden Infinity Co., Ltd. ("**Golden Infinity**")

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive and their respective associates had any interests in the Shares, underlying Shares and debentures of the Company or its associates 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.

3. SERVICE CONTRACT

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 2025	31 March 2028	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).

4. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, save and except as disclosed below:

(i) the renewed tenancy agreement entered into between Cambo Management Limited as Landlord and a wholly-owned subsidiary of the Company as tenant on 8 May 2025 in respect of the head office and the principal place of business of the Company in Hong Kong, which the Group has been leasing and using the subject premises since 2015. The landlord is an investment holding company wholly and beneficially owned by Mr. Lo. As Mr. Lo is a connected person of the Company, the tenancy agreement constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The term of the tenancy agreement is two years commenced from 8 May 2025 which is due for renewal in May 2027. For details, please refer to the announcement made by the Company on 8 May 2025;

(ii) 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 in relation to coal transport in the PRC. VVLJV is indirectly held as to 60% by Vision Values. Mr. Lo, the substantial Shareholder, the chairman and executive Director of the Company, is also the controlling shareholder, chairman and executive director of Vision Values. In view of Mr. Lo's shareholding and his corporate position in both the Company and Vision Values, accordingly, the transactions contemplated under the Logistics Services Framework Agreement (2023-2026) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. For details, please refer to the circular of the Company dated 30 March 2023;

(iii) the 3% 3-year convertible note due 28 May 2028 issued by the Company to Golden Infinity. Mr. Lo is the beneficial owner of Golden Infinity. For details, please refer to the circular of the Company dated 25 April 2025 and the announcement of the Company dated 28 May 2025;

(iv) the 3% 3-year loan note due 28 May 2028 issued by the Company to Ruby Pioneer Limited. Mr. Lo and Mr. Rex Lo are among the directors of Ruby Pioneer Limited. For details, please refer to the announcement of the Company dated 28 May 2025; and

(v) a standby revolving facility provided by Mr. Lo to the Company with a facility amount of HK$1,900 million carrying interest at 3% above the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited,

there was no contract or arrangement subsisting at as the Latest Practicable Date 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 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. COMPETING INTEREST

As at the Latest Practicable Date, 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.

6. MATERIAL ADVERSE CHANGE

The Directors are of the opinion that, based on the information currently available to the Group as at the Latest Practicable Date, save for

(i) the tax issues as disclosed in the interim report for the six months ended 30 September 2025 (**"2025 Interim Report"**) including, among others, the legal process filed with the Administrative Court of Mongolia against the Tax Dispute Resolution Committee to annul the entire reassessment tax ruled by it in the sum of Mongolian Tugrik 412.3 billion (approximately HK$902.6 million) and an updated announcement dated 9 January 2026;

(ii) the implementation of action plan to resolve disclaimer of audit opinion under the annual report for the year ended 31 March 2025 in the quarterly update announcements dated 11 September 2025 and 12 December 2025; and

(iii) the decline of financial performance due to market conditions as disclosed in the 2025 Interim Report.

the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2025, being the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given advice or opinion contained in this circular:

Name	Qualifications
Somerley	a corporation licensed by the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Somerley did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. As at the Latest Practicable Date, Somerley did not have any direct or indirect interest in any assets which have been, since 31 March 2025 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.mongolia-energy.com, in accordance with the Listing Rules for a period of not less than 14 days from the date of this circular:

(a) the Logistics Services Framework Agreement (2026-2029);

(b) the letter from the Independent Financial Advisor, the text of which is set out on pages 12 to 26 of this circular; and

(c) the written consent of the expert referred to in the paragraph headed "Expert and consent" in this appendix.

9. MISCELLANEOUS

The English text of this circular and accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

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 Friday, 27 February 2026 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 of the logistics services framework agreement dated 24 December 2025 (the "**Agreement**", which expression shall include any amendments or supplements thereto from time to time) between the Company and 新疆遠見鴻業物流有限公司 in relation to provision of logistics services to the Group for a period up to 31 March 2029 effective from the date of approval by the Independent Shareholders (as defined in the Agreement) at the special general meeting (copy of the Agreement marked "A" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) with the annual caps of RMB250,000,000, RMB287,000,000 and RMB330,000,000 for the three financial years ending 31 March 2029, 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 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, 30 January 2026

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 Investor Services 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 Tuesday, 24 February 2026 to Friday, 27 February 2026, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 February 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the SGM is therefore Friday, 27 February 2026.

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 (http://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 Investor Services Limited at telephone number (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays).