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## **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

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

References are made to the announcement of the Company dated 3 March 2023 and the circular of the Company dated 30 March 2023 in relation to, among other things, the Logistics Services Framework Agreement (2023-2026) entered into between the Company and VVLJV on 3 March 2023.

#### **LOGISTICS SERVICES FRAMEWORK AGREEMENT (2026-2029)**

The Board hereby announces that 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.

The terms of the Logistics Services Framework Agreement (2026-2029) were reached after arm's length negotiation between the Company and VVLJV. The Board (excluding the independent non-executive Directors and the relevant Directors, who have material interests in the CCTs and have abstained from voting in the Board's 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.

## LISTING RULES IMPLICATIONS

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), and 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). In view of the interests/corporate positions of Mr. Lo, 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. The Logistics Services Framework Agreement (2026-2029) and the transactions contemplated thereunder (including the Annual Caps) will be voted by the Independent Shareholders at the SGM by way of poll.

A circular containing, amongst other things, further information on the terms of the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps), an independent advice of the Independent Financial Adviser, together with a notice to convene the SGM to approve the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps), is expected to be issued to the Shareholders as soon as possible and in any event, no later than 30 January 2026, as additional time is required by the Company for preparation of certain relevant information for inclusion in the circular.

## INTRODUCTION

References are made to the announcement of the Company dated 3 March 2023 and the circular of the Company dated 30 March 2023 in relation to, among other things, the Logistics Services Framework Agreement (2023-2026) entered into between the Company and VVLJV on 3 March 2023.

The Board hereby announces that 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 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.

The Logistics Services Framework Agreement (2023-2026) will expire on 31 March 2026. In order to continue the on-going co-operation with VVLJV in respect of the provision of logistics services to the Group, the Group entered into the Logistics Services Framework Agreement (2026-2029) on 24 December 2025 subject to the approval of the Independent Shareholders at the SGM.

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

### 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.

<b>Annual Caps:</b>	<b>Financial year</b>	<b>Annual Caps RMB</b>
	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 transactions amounts of the Group in the PRC with reference to the volume of raw coal exported; (ii) the estimated demand of logistics services required pursuant to the operation and development of the Group; (iii) the prevailing market prices; and (iv) the 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.

## 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	Actual amount	Rate	Annual cap	Actual amount	Rate	Annual cap	Actual amount*	Rate	Annual Cap	Annual Cap	Annual Cap
(RMB'000)	(RMB'000)		(RMB'000)	(RMB'000)		(RMB'000)	(RMB'000)		(RMB'000)	(RMB'000)	(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 Khushuot 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.

## 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.

## **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.

## **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.

## LISTING RULES IMPLICATIONS

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 Vision 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). In view of the interests/corporate positions of Mr. Lo, 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.

A circular containing, amongst other things, further information on the terms of the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps), an independent advice of the Independent Financial Adviser, together with a notice to convene the SGM to approve the Logistics Services Framework Agreement (2026-2029) (including the Annual Caps), is expected to be issued to the Shareholders as soon as possible and in any event, no later than 30 January 2026, as additional time is required by the Company for preparation of certain relevant information for inclusion in the circular.



## DEFINITIONS

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

“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
“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
“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
“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
“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 announcement, 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.

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

Hong Kong, 24 December 2025

*As at the date of this announcement, the Board comprises eleven 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 and Mr. Choi Man Yu, Frankie as non-executive directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny as independent non-executive directors.*