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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **CONTINUING CONNECTED TRANSACTIONS ON SERVICE AGREEMENT**

Reference is made to the announcement of the Company dated 22 December 2022 in relation to, among others, the provision of office and camp supporting services by USS to the Group for the period from 1 January 2023 to 31 December 2025. The Company intends to continue to enter into transactions of the same nature after 31 December 2025, and therefore has arranged tendering processes for the selection of service providers.

USS has been selected, through competitive tendering processes, as a service provider for the provision of supporting services for the Company's offices located at Ulaanbaatar and camps and operational sites. On 22 December 2025, Energy Resources entered into the Service Agreement with USS, pursuant to which USS agreed to provide office and camp supporting services to the Group for a period starting from 1 January 2026 until 31 December 2028, for an aggregate consideration of up to MNT144,986,917,440 (equivalent to approximately USD40,848,634).

#### **LISTING RULES IMPLICATIONS**

USS is a non wholly-owned subsidiary of MCS Holding which is in turn wholly-owned and controlled by MCS Mongolia LLC. MCS Mongolia LLC directly holds 100% shareholding interest in MCS Mining Group LLC, which is a substantial Shareholder holding 31.07% of the issued share capital of the Company as at the date of this announcement. As such, USS is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the Service Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio for the annual caps for the continuing connected transactions under the Service Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Service Agreement are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## THE SERVICE AGREEMENT

**Date:** 22 December 2025

**Parties:** Energy Resources as service purchaser

USS as service provider

### Principal terms:

In broad terms, USS agreed to provide the following services to the Group on a day-to-day basis:

- catering, camp and accommodation management, cleaning, maintenance, repair and other associated support services for Energy Resources’s camps, offices and industrial facilities and operational sites at UHG, TKH and other locations, if required; and
- cleaning, maintenance, cloakroom attendance for the Ulaanbaatar office.

### Consideration and payment terms:

The maximum aggregate consideration payable by the Group to USS under the Service Agreement is MNT144,986,917,440 (equivalent to approximately USD40,848,634) inclusive of VAT, other applicable taxes and all other costs associated with the services provided by USS.

Invoices will be issued on a monthly basis and the Company is required to settle the payment within 60 days upon receipt of a valid invoice from USS. No advance payment and no mobilisation and de-mobilisation payments are to be made by the Group.

The consideration was determined after arm’s length negotiation between the Company and USS, taking into account the size of the location where services are to be provided and the number of employees utilising the camp site, the temporary ger camp located at the operational sites and the fee quotation and costs structure of the services to be provided as set out in the bid proposal submitted by USS.

### Historical Transaction Amounts:

Historical transaction amounts incurred by the Group under the service agreement entered into between USS and Energy Resources on 22 December 2022 and expiring on 31 December 2025 are as follows:

<b>Financial Year</b>	<b>Transaction amount</b>	<b>Period covered</b>
31 December 2023	USD7,260,432	12 months from 1 January 2023 to 31 December 2023
31 December 2024	USD8,072,773	12 months from 1 January 2024 to 31 December 2024

Based on the unaudited management accounts, the transaction amount under the service agreement for the period from 1 January 2025 to 30 November 2025 is approximately USD7,426,556.

**Annual caps:**

The following table sets out the proposed annual caps for the Service Agreement for the three financial years ending 31 December 2028:

<b>Financial year ending</b>	<b>Annual caps</b>	<b>Period covered</b>
31 December 2026	MNT48,328,972,480 (equivalent to approximately USD13,616,211)	12 months from 1 January 2026 to 31 December 2026
31 December 2027	MNT48,328,972,480 (equivalent to approximately USD13,616,211)	12 months from 1 January 2027 to 31 December 2027
31 December 2028	MNT48,328,972,480 (equivalent to approximately USD13,616,211)	12 months from 1 January 2028 to 31 December 2028

The annual caps were determined with reference to the internal projection of the amount of services required, having regard to: (i) the historical transaction amounts in respect of the office and camp supporting services; (ii) the anticipated increase in the number of employees; (iii) the bid proposal submitted by USS; (iv) increase in inflation rate, exchange rate and cost of materials to be delivered to the site; and (v) possible additional costs.

The service fees comprises predetermined fixed rates, including: (i) catering, camp and accommodation management services charged on a per man-day basis, calculated according to the actual number of employees and daily consumption recorded in timesheets; (ii) cleaning services charged on a per square meter basis by reference to the predetermined cleaning areas and recorded timesheets; and (iii) maintenance, repair and other associated services charged based on the actual daily maintenance services utilised within the prescribed range, supported by properly documented records and timesheets, for the Group.

**Term of the services:**

The Service Agreement will be effective for the period starting from 1 January 2026 until 31 December 2028.

**Reasons for the transaction:**

In order to select the office and camp support services contractor for the years 2026 to 2028, the Company organised and conducted a competitive bidding process from November to December 2025. The Company invited six companies that are internationally and locally recognised and experienced companies providing office and camp supporting services to participate in the bidding process. Out of the six invitees, five are independent third-party service providers except for USS. Only two companies (namely, USS and one independent third-party service provider) submitted their bid proposals.

The bid proposals were evaluated in detail with reference to the overall scope of services offered, financial capability, technical proposal, commercial proposal and, experience and quality of services provided by USS in previous years.

USS was selected as the successful bidder who can provide reliable services which meet high quality standards at a competitive price while incorporating international standards, methods and offering cost effective solutions.

## **INFORMATION ON THE GROUP**

The Company, together with its subsidiaries, is the largest producer and exporter of high-quality washed hard coking coal in Mongolia. The Group owns and operates the UHG and the BN open-pit coking coal mines, both located in the Umnugobi aimag (South Gobi province), Mongolia.

The Group, through its subsidiaries, is also engaged in the exploration of gold and other precious metals.

Energy Resources, an indirect wholly-owned subsidiary of the Company, is principally engaged in the operation of the UHG mine site in Umnugobi, Mongolia.

## **INFORMATION ON USS**

USS, a non wholly-owned subsidiary of MCS Holding, is principally engaged in the provision of office and camp supporting services.

MCS Holding is wholly-owned and controlled by MCS Mongolia LLC, which directly holds 100% shareholding interest in MCS Mining Group LLC, a substantial Shareholder holding 31.07% of the issued share capital of the Company as at the date of this announcement. MCS Mongolia LLC is owned as to 58.18% by Mr. Odjargal Jambaljamts (a Director).

## **LISTING RULES IMPLICATIONS**

USS is a non wholly-owned subsidiary of MCS Holding which is in turn wholly-owned and controlled by MCS Mongolia LLC. MCS Mongolia LLC directly holds 100% shareholding interest in MCS Mining Group LLC, a substantial Shareholder holding 31.07% of the issued share capital of the Company as at the date of this announcement. As such, USS is connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the Service Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio for the annual caps for the continuing connected transactions under the Service Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Service Agreement are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. Odjargal Jambaljamts and Ms. Enkhtuvshin Gombo, being a Director and a director of MCS Holding was considered to have a material interest in the transactions contemplated under the Service Agreement and has, accordingly, abstained from voting on the relevant resolutions of the Board in relation to the approval of the Service Agreement and the respective relevant annual caps.

## **INTERNAL CONTROL MEASURES**

The Company has comprehensive internal control system to ensure that the terms of the continuing connected transactions are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include strict measures for evaluation on and selection of the service providers; regular monitoring of actual amounts incurred for the continuing connected transactions; regular internal control tests to evaluate completeness and effectiveness of internal control measures; and regular review by the internal audit department, the audit committee of the Board, the Board, and the independent non-executive Directors.

In respect of continuing connected transactions, the Group determines pricing based on the size and scope of each transaction, in accordance with the internal control measures, using methods including, but not limited to, requests for quotation, requests for proposal or tenders, subject to oversight by the Company's executive and procurement committees, and the internal audit department. Depending on the transaction method, the Group will obtain no less than three quotations from independent third parties and ensure review and monitoring by the Company's legal and financial compliance teams. These measures aim to ensure that the terms are fair and reasonable, conducted on normal commercial terms that are no less favourable than those offered by independent third parties, and compliant with the Listing Rules.

Under the Service Agreement, USS will submit monthly invoices for service fees incurred in the preceding month for services provided to the Group, based on approved timesheets, for review and verification by the representative of Energy Resources. Energy Resources is entitled evaluate and confirm the proper performance of the services provided by USS and to identify any required improvements. The finance department of Energy Resources will consolidate service fees monthly, monitor utilisation against the annual caps, and flag any projected exceedance for review and approval by senior management of Energy Resources.

## **BENEFITS OF THE TRANSACTIONS**

The Board (including the independent non-executive Directors) is of the view that the terms of the continuing connected transactions contemplated under the Service Agreement are fair and reasonable; such continuing connected transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; the entering into of the continuing connected transactions contemplated under the Service Agreement is in the interests of the Company and the Shareholders as a whole; and that the relevant annual caps for the continuing connected transactions contemplated under the Service Agreement are fair and reasonable.

## **DEFINITIONS**

“BN”	the Group's Baruun Naran coal deposit located in the Khankhongor soum, Umnugobi aimag;
“Board”	the board of Directors;
“Company”	Mongolian Mining Corporation (stock code: 975), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Energy Resources”	Energy Resources LLC, a company incorporated in Mongolia with limited liability, an indirect wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“MCS Holding”	MCS Holding LLC, a company incorporated in Mongolia with limited liability;
“MNT”	togrog or tugrik, the lawful currency of Mongolia;
“Service Agreement”	the Service Agreement between USS and Energy Resources dated 22 December 2025 in relation to the provision of office and camp supporting services by USS to the Group;
“Share(s)”	ordinary share of USD0.1 each in the share capital of the Company;
“Shareholder(s)”	the registered holders of the Shares;
“TKH”	Tsagaan Khad;
“UHG”	the Group’s Ukhaa Khudag coal deposit located in the Tavan Tolgoi coalfield;
“USD”	United States Dollar, the lawful currency of the United States of America;
“USS”	Uniservice Solution LLC, a company incorporated in Mongolia with limited liability, a non wholly-owned subsidiary of MCS Holding;

“VAT” value added tax;

“%” per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of USD1.00=MNT3,549.37, has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at any other rates.

For and on behalf of the Board  
**Mongolian Mining Corporation**  
**Odjargal Jambaljamts**  
*Chairman*

Hong Kong, 22 December 2025

*As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Ms. Enkhtuvshin Gombo and Mr. Myagmarjav Ganbyamba, being the non-executive Directors, and Mr. Chan Tze Ching, Ignatius, Ms. Delgerjargal Bayanjargal and Dr. Tsend-Ayush Tuvshintur, being the independent non-executive Directors.*