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## **MONGOLIAN MINING CORPORATION**

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

**(Stock Code: 975)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS ON SERVICE AGREEMENT**

Reference is made to the Company's announcement dated 22 December 2025 (the "Announcement") in relation to the Service Agreement between Energy Resources and USS for the provision of office and camp supporting services to the Company's offices located at Ulaanbaatar and camps and operational sites (the "Services"). Unless the context requires otherwise, capitalised terms used in this supplemental announcement shall have the same meaning as defined under the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide supplemental information regarding (i) the basis of determining the proposed annual caps; and (ii) the clarification on the internal control procedures in relation to the Service Agreement and their compliance with the Company's internal control measures.

#### **BASIS OF DETERMINATION OF THE PROPOSED ANNUAL CAPS**

As disclosed in the Announcement, the proposed 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 substantial increase in the proposed annual caps under the Service Agreement as compared with the previous annual caps is mainly due to the following reasons.

The rates for catering, camp and accommodation management services charged on a per man-day basis, have increased by approximately 29% compared with the previous rate. Approximately 4% of this increase reflects the introduction of two meal options to support employee well-being which would commence from 1 January 2026. The remaining 25% is attributable to general cost escalations over the past three years, which is in line with the cumulative inflation rate recorded over the same period.

In addition, the number of employees has increased by approximately 46% over the past three years. With such increase in the number of employees, it is contemplated that a larger number of employees would utilize the Services, which would account for approximately 26% of the increase in the proposed annual caps, as compared with the previous annual caps.

## INTERNAL CONTROL MEASURES

The Company has established internal control procedures to ensure that the continuing connected transactions are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its 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.

As disclosed in the Announcement, 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 in respect of continuing connected transactions.

The Company hereby clarifies that, depending on the transaction method, the requirement to obtain no less than three quotations from independent third parties applies to requests for quotation and requests for proposal, but does not strictly apply to tenders, as participation is subject to, among other factors, the invitees' discretion and the availability of a sufficient number of service providers. Notwithstanding this limitation, the Company's procurement team endeavours to obtain no less than three quotations to ensure that the terms are fair and reasonable, conducted on normal commercial terms or better. The Company acknowledges that, in circumstances where there are no, or an insufficient number of, service providers (which, in some cases, are required to hold relevant permits) willing or able to participate in the tendering invitation, for reasons beyond the Company's control, there may be potential compliance risks.

As disclosed in the Announcement, the Company's procurement committee organized a tendering process for the Services from November to December 2025, taking into account the proposed annual caps and the scope of the Services, and in compliance with the Company's internal control measures and procurement committee procedures. Six companies (five of which were independent third parties), were invited to participate in the competitive tender for the provision of the Services. Following the invitation, only two bidders (USS and one independent third-party) expressed interest and submitted bids. Accordingly, the Company made evaluations based on, among other factors, commercial and technical proposals, the financial capability of the bidders and associated operational risks, including the risk of service disruption or deficiencies and their potential impact on the Group's operations.

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

Hong Kong, 5 January 2026

*As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battengel Gotov, being the executive Directors, Ms. Enkhtuvshin Gombo and Mr. Ariunbayar Byambadorj, 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.*