

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

ADJUSTMENT TO THE CONVERSION PRICE UNDER THE 2014 CONVERTIBLE NOTES

<p>The Conversion Price under the 2014 Convertible Notes is adjusted from HK\$0.91 to HK\$0.90 per Conversion Share.</p>
--

Mongolia Energy Corporation Limited (the “**Company**”) refers to its announcement dated 21 November 2014 in relation to, among others, completion of the subscription of the 2014 Convertible Notes; its announcement dated 12 August 2015 in relation to adjustment to the Conversion Price under the 2014 Convertible Notes; and its announcement dated 5 October 2015 in relation to completion of issue of Shares under General Mandate (the “**Announcements**”). Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

Upon completion of issue of a total of 14,449,760 Subscription Shares as announced on 5 October 2015, and pursuant to the terms and conditions of the 2014 Convertible Notes, the Conversion Price of the 2014 Convertible Notes is adjusted from HK\$0.91 to HK\$0.90 per Conversion Share.

As a result, the total number of Shares issuable according to the outstanding principal and interests at the maturity date (i) under the 2014 GI Convertible Note upon full exercise will be 692,958,380 Shares; (ii) under the 2014 CTF Convertible Note upon full exercise will be 3,098,383,561 Shares, and (iii) under the 2014 SF Convertible Notes upon full exercise will be 638,733,000 Shares. As of today, no conversion has been made by any of the respective holders of the 2014 Convertible Notes. Save for the above adjustments, all other terms and conditions of the respective 2014 Convertible Notes remain unchanged.

The Conversion Price adjustments have been reviewed and confirmed by a financial adviser pursuant to the terms and conditions of the 2014 Convertible Notes.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structures of the Company as at the date of this announcement and under the following scenarios (assuming that there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement up to the occurrence of the relevant events mentioned below):

- Scenario I: immediately upon full conversion of the principal amount of the 2014 GI Convertible Note of HK\$542,315,254 and the accrued interest thereon of HK\$81,347,288.10 (calculated from the date of issue of the 2014 GI Convertible Note until its maturity) at the adjusted Conversion Price of HK\$0.90 per Conversion Share only;
- Scenario II: immediately upon full conversion of the principal amount of the 2014 CTF Convertible Note of HK\$2,424,821,918 and the accrued interest thereon of HK\$363,723,287.70 (calculated from the date of issue of the 2014 CTF Convertible Note until its maturity) at the adjusted Conversion Price of HK\$0.90 per Conversion Share only;
- Scenario III: immediately upon full conversion of the aggregate principal amount of the 2014 SF Convertible Notes of HK\$499,878,000 and the accrued interest thereon of HK\$74,981,700.00 (calculated from the date of issue of the 2014 SF Convertible Notes until their maturity) at the adjusted Conversion Price of HK\$0.90 per Conversion Share only; and
- Scenario IV: for illustration purpose only, occurrence of scenarios I, II and III above.

	As at the date of this announcement	
	<i>Number of Shares</i>	<i>Approximate %</i>
The Concert Group		
GI Subscriber and its concert parties	303,197,075 <i>(Note 1)</i>	17.38
CTF Subscriber and its concert parties	56,250,000	3.23
Dragon Noble Group Limited and its concert parties <i>(Note 2)</i>	<u>98,667,500</u>	<u>5.66</u>
Subtotal	<u>458,114,575</u>	<u>26.27</u>
SF Subscribers	—	—
Other directors of the Group <i>(Note 3)</i>	1,820,800	0.10
Other public shareholders	<u>1,284,354,702</u>	<u>73.63</u>
Total	<u>1,744,290,077</u>	<u>100.00</u>

	Scenario I		Scenario II		Scenario III		Scenario IV	
	No. of Shares	Approx.%	No. of Shares	Approx.%	No. of Shares	Approx.%	No. of Shares	Approx.%
The Concert Group								
GI Subscriber and its concert parties	996,155,455	40.87	303,197,075	6.26	303,197,075	12.72	996,155,455	16.13
CTF Subscriber and its concert parties	56,250,000	2.31	3,154,633,561	65.14	56,250,000	2.36	3,154,633,561	51.09
Dragon Noble Group Limited and its concert parties (Note 2)	98,667,500	4.05	98,667,500	2.04	98,667,500	4.14	98,667,500	1.60
Subtotal	1,151,072,955	47.23	3,556,498,136	73.44	458,114,575	19.22	4,249,456,516	68.82
SF Subscribers	—	—	—	—	638,733,000	26.80	638,733,000	10.35
Other directors of the Group (Note 3)	1,820,800	0.07	1,820,800	0.04	1,820,800	0.08	1,820,800	0.03
Other Public Shareholders	1,284,354,702	52.70	1,284,354,702	26.52	1,284,354,702	53.90	1,284,354,702	20.80
Total	2,437,248,457	100.00	4,842,673,638	100.00	2,383,023,077	100.00	6,174,365,018	100.00

Notes:

1. Among the 303,197,075 Shares, 1,240,000 Shares represent interest of Mr. Lo Lin Shing, Simon (“**Mr. Lo**”) on an individual basis; while 301,519,575 Shares represent interest of the GI Subscriber. The balance of 437,500 Shares represents interest of Ms. Ku Ming Mei, Rouisa, the spouse of Mr. Lo.
2. Dragon Noble Group Limited is a company wholly and beneficially owned by Dr. Cheng Kar Shun, Henry.
3. Other directors of the Group include Ms. Yvette Ong, Mr. To Hin Tsun, Gerald, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, and Mr. Tang Chi Kei.

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

Hong Kong, 9 October 2015

*As at the date of this announcement, the Board comprises six Directors, including Mr. Lo Lin Shing, Simon and Ms. Yvette Ong as executive Directors, Mr. To Hin Tsun, Gerald as non-executive Director and Mr. Peter Pun *OBE, JP*, Mr. Tsui Hing Chuen, William *JP* and Mr. Lau Wai Piu as independent non-executive Directors.*