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January 4, 2024



Mongolian Mortgage Corporation HFC LLC

(incorporated under the laws of Mongolia with limited liability)

Mongolian Mortgage Corporation HFC LLC (the “**Company**”, “**we**,” or “**us**”) is offering to exchange (the “**Exchange Offer**”) any and all of its 8.85% Reg S Notes due 2024 held by Eligible Holders issued by the Company (the “**Reg S Notes**”) and irrevocably and unconditionally guaranteed by MIK Holding JSC (the “**Guarantor**”). The exchange consideration with respect to each US\$1,000 principal amount of the Reg S Notes validly tendered prior to the Offer Expiration Date and accepted for exchange consisting of the following: (i) (a) US\$1,000 in aggregate principal amount of New Notes multiplied by 105%, subject to the provisions relating to minimum denominations, (b) Fractional Cash Payment, if applicable, and (c) Accrued Interest (the “**Option 1 Exchange Consideration**”), or (ii) (a) US\$1,000 in aggregate principal amount of the New Notes multiplied by 70%, subject to the provisions relating to minimum denominations, (b) US\$300 in cash (the “**Upfront Principal Payment**”), (c) US\$40 in cash (the “**Exchange Fee**”), (d) Fractional Cash Payment, if applicable, and (e) Accrued Interest (the “**Option 2 Exchange Consideration**”), together with the Option 1 Exchange Consideration, the “**Exchange Consideration**”).

There is no option to elect a combination of Option 1 Exchange Consideration and Option 2 Exchange Consideration when submitting an Instruction, i.e. an Eligible Holder must elect to receive either Option 1 Exchange Consideration or Option 2 Exchange Consideration when submitting their Instruction. Eligible Holders that wish to receive a combination of Option 1 Exchange Consideration and Option 2 Exchange Consideration may submit separate Instructions in respect of each Option 1 Exchange Consideration and Option 2 Exchange Consideration.

The Exchange Offer is subject to the conditions discussed under “The Exchange Offer – Conditions to the Exchange Offer”, including the satisfaction of the minimum aggregate principal amount of the Reg S Notes, being 70% of the outstanding principal amount of the Reg S Notes, for which valid tenders are received and that the Offeror will determine, in its sole discretion, whether to accept for exchange pursuant to the Exchange Offer (the “**Minimum Acceptance Amount**”). The Exchange Offer is made on the terms and subject to conditions to set out in an exchange offer memorandum dated January 4, 2024 (the “**Exchange Offer Memorandum**”).

All capitalized terms used but not defined in this announcement have the respective meanings specified in the Exchange Offer Memorandum. The table below sets forth certain information relating to the Exchange Offer.

Description of the Notes	Outstanding Amount ⁽¹⁾⁽²⁾	CUSIP/ISIN Nos.	Amount subject to the Exchange Offer	Minimum Acceptance Amount	Exchange Consideration per US\$1,000 of the Reg S Notes Tendered and Accepted for Exchange
8.85% Senior Notes due 2024	US\$212,051,000	Regulation S Global Note: Y6142GAB9/ USY6142GAB96	Any and all of the outstanding Reg S Notes	70% of the outstanding principal amount of the Reg S Notes	(i) US\$1,000 in aggregate principal amount of the New Notes multiplied by 105%, plus Fractional Cash Payment (if applicable), plus Accrued Interest; OR (ii) US\$1,000 in aggregate principal amount of the New Notes multiplied by 70%, plus US\$300 in cash, plus US\$40 cash payment of Exchange Fee, plus Fractional Cash Payment (if applicable), plus Accrued Interest. See “Summary of the Exchange Offer – Exchange Consideration.”
8.85% Senior Notes due 2024	US\$200,000	144A Restricted Global Note: 60938EAB6/ US60938EAB65	N/A	N/A	144A Restricted Global Note Not Eligible for the Exchange Offer

(1) As of January 2, 2024.

(2) The Issuer does not hold any Notes as treasury notes.

The Exchange Offer will only be made to, and the New Notes and the guarantee thereunder are being offered and will be issued only to, eligible holders (the “**Eligible Holders**”) who are located outside the United States and hold the Reg S Notes through Euroclear or Clearstream (each as defined herein) or certain fiduciaries holding accounts for the benefit of persons located outside of the United States and holding the Reg S Notes through Euroclear or Clearstream. **As a result, the Exchange Offer is not being conducted in a manner eligible for the exchange and tender procedures of DTC. PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER REG S NOTES IN THE EXCHANGE OFFER.**

We will only accept tenders of Reg S Notes for the Exchange Offer. We will not accept tenders with respect to the 8.85% Senior Notes due 2024 held on the Rule 144A Global Note bearing ISIN US60938EAB65 (the “**144A Notes**” together with the Reg S Notes, the “**Notes**”). In order to participate in the Exchange Offer, each holder of the 144A Notes, who is located outside the United States and otherwise complies with the restrictions in the Exchange Offer Memorandum must, prior to the Offer Expiration Date, exchange such 144A Notes for Reg S Notes held through Euroclear or Clearstream, in accordance with the procedures specified in the Indenture, dated February 8, 2021 among the Issuer, the Guarantor named therein, and Deutsche Bank Trust Company Americas, as trustee, governing the Notes.

THIS EXCHANGE OFFER (AS DEFINED HEREIN) WILL EXPIRE ON JANUARY 10, 2024 AT 4:00 P.M., LONDON TIME, UNLESS EXTENDED BY US (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED, THE “OFFER EXPIRATION DATE”). ELIGIBLE HOLDERS WHO GIVE INSTRUCTIONS TO EXCHANGE THE REG S NOTES ON OR PRIOR TO THE OFFER EXPIRATION DATE WILL BE ELIGIBLE TO RECEIVE THE EXCHANGE CONSIDERATION (AS DEFINED HEREIN). INSTRUCTIONS (AS DEFINED HEREIN), ONCE GIVEN, ARE IRREVOCABLE AND MAY NOT BE WITHDRAWN, EXCEPT IN LIMITED CIRCUMSTANCES AS SET FORTH HEREIN.

The consummation of the Exchange Offer is subject to satisfaction or waiver by the Company (as defined in the Exchange Offer Memorandum), in its sole discretion, of certain conditions set forth under “Conditions to the Exchange Offer” in the Exchange Offer Memorandum.

The deadlines set by any intermediary or clearing system will be earlier than the deadlines set out above.

Purpose of Offer

The Exchange Offer is being undertaken as a part of the Offeror’s active management of liabilities and capital.

Exchange Consideration

The Exchange Consideration with respect to each US\$1,000 principal amount of Reg S Notes validly tendered on or prior to the Offer Expiration Date and accepted in the Exchange Offer consists of:

(i)

- (a) US\$1,000 in aggregate principal amount of New Notes multiplied by 105%, subject to the provisions relating to minimum denominations,
- (b) Fractional Cash Payment (as defined below), if applicable, and
- (c) Accrued Interest (as defined below)

(the “**Option 1 Exchange Consideration**”),

OR

(ii)

- (a) US\$1,000 in aggregate principal amount of New Notes multiplied by 70%, subject to the provisions relating to minimum denominations,
- (b) US\$300 in cash (the “**Upfront Principal Payment**”),
- (c) US\$40 in cash (the “**Exchange Fee**”),
- (d) Fractional Cash Payment (as defined below), if applicable, and
- (e) Accrued Interest (as defined below) (the “**Option 2 Exchange Consideration**”, together with the Option 1 Exchange Consideration, the “**Exchange Consideration**”).

There is no option to elect a combination of Option 1 Exchange Consideration and Option 2 Exchange Consideration when submitting an Instruction, i.e., an Eligible Holder must elect to receive either Option 1 Exchange Consideration or Option 2 Exchange Consideration when submitting their Instruction. Eligible Holders that wish to receive a combination of Option 1 Exchange Consideration and Option 2 Exchange Consideration may submit separate Instructions in respect of each Option 1 Exchange Consideration and Option 2 Exchange Consideration.

Source of Funds / Concurrent New Money Issuance

The Company has announced this Exchange Offer as part of the Company's overall financing plans and debt maturity profile management, including the Company's proposed concurrent offering (the "**New Money Issuance**") of new guaranteed senior debt securities (the "**New Notes**") to be issued by the Company and guaranteed by the Guarantor in reliance on an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). We will not receive any cash proceeds from the Exchange Offer. We will receive cash proceeds from the issuance of the New Notes in the New Money Issuance (if consummated). We expect the intended use of proceeds of the New Money Issuance (if consummated) to be for purchasing mortgages with recourse, repayment of any remaining outstanding Notes at maturity and general corporate purposes.

Condition to the Exchange Offer

The Company's obligation to consummate the Exchange Offer is subject to the satisfaction or (in its sole discretion) waiver of certain conditions, including (1) not less than the Minimum Acceptance Amount of the Reg S Notes shall have been validly tendered and not validly withdrawn prior to the Offer Expiration Date; (2) there being no material adverse change in the financial markets from the date of this Exchange Offer Memorandum to the Exchange Settlement Date; and (3) the satisfaction of the other conditions described in "Description of the Exchange Offer – Conditions to the Exchange Offer" in the Exchange Offer Memorandum.

To the extent that it is legally permitted so to do, we expressly reserve the absolute right to (i) waive any condition to the Exchange Offer, including the Minimum Acceptance Amount; (ii) amend any of the terms of the Exchange Offer, including the Minimum Acceptance Amount; and (iii) modify the consideration offered. Any amendment to the Exchange Offer will apply to all Reg S Notes tendered, regardless of when and in what order such Reg S Notes were tendered. If we make a material change in the terms of the Exchange Offer, we will disseminate additional offer materials or, if appropriate, issue a press release setting forth such changes, and will extend the Exchange Offer as we consider appropriate. We have the right, in our sole discretion, to extend the Offer Expiration Date or the Exchange Settlement Date. Additionally, we expressly reserve the right, in our absolute discretion, to terminate the Exchange Offer at any time if any of the conditions to the Exchange Offer are not met or waived prior to the Offer Expiration Date. In the event that the Exchange Offer is terminated, withdrawn or otherwise not consummated prior to the Offer Expiration Date, no consideration will be paid or become payable and no New Notes will be issued or become issuable to holders who have validly tendered their Reg S Notes pursuant to the Exchange Offer. In any such event, the Reg S Notes previously tendered pursuant to the Exchange Offer will be promptly returned to the tendering Eligible Holders.

Indicative Timetable

<u>Date</u>	<u>Events</u>
On January 4, 2024	Commencement of the Exchange Offer and announcement through the Clearing Systems. The Exchange Offer Memorandum and Announcement available from the Exchange Offer Website: https://projects.morrowsodali.com/mik .
On or about January 8, 2024	Announcement of the minimum coupon of the New Notes in connection with the Exchange Offer.
4:00 P.M., London time, on January 10, 2024, unless extended or earlier terminated by us....	Offer Expiration Date, which is the deadline for the receipt of all Instructions as this is the last date and time for Eligible Holders of the Reg S Notes to participate in the Exchange Offer.
On or about January 11, 2024	Announcement of the results of the Exchange Offer.
On or about January 11, 2024	Pricing of the New Money Issuance (if any).
On or about January 11, 2024	Announcement of the pricing details of the New Money Issuance (if any).

On or about January 18, 2024..... Exchange Settlement Date on which the Exchange Consideration is to be delivered.

Subject to the satisfaction of New Money Issuance Conditions, if the New Money Issuance is successfully priced, we expect to settle the New Money Issuance on the same date as the Exchange Settlement Date.

On or about January 19, 2024..... Listing of the New Notes on the SGX-ST

We reserve the right to extend the Offer Expiration Date in our sole discretion. In such a case, the date on which the notice of the results of the Exchange Offer will be delivered and the Exchange Settlement Date will be adjusted accordingly. The Eligible Holders of the Reg S Notes should inform themselves of any earlier deadlines that may be imposed by the Clearing Systems and/or any intermediaries, which may affect the timing of the submission of a notice of exchange.

The information in this announcement is only a summary. Before making a decision with respect to the Exchange Offer, Eligible Holders should carefully consider all of the information in the Exchange Offer Memorandum. You may obtain a copy of the Exchange Offer Memorandum by downloading it at the Exchange Offer website: <https://projects.morrowsodali.com/mik>.

The Information and Exchange Agent for the Exchange Offer is:

Morrow Sodali Limited

In London:
103 Wigmore Street
W1U 1QS
London
Telephone: +44 20 4513 6933

In Stamford:
333 Ludlow Street
South Tower, 5th Floor
Stamford, CT 06902
United States of America
Telephone: +1 203 658 9457

In Hong Kong:
29/F, No. 28 Stanley Street
Central Hong Kong
Telephone: +852 2319 4130

Email: mik@investor.morrowsodali.com
Exchange Offer Website: <https://projects.morrowsodali.com/mik>

The Dealers Managers for the Exchange Offer are:

Deutsche Bank AG, Singapore Branch

One Raffles Quay
#17-00 South Tower
Singapore 048583
Attn: Global Risk Syndicate
Telephone: +65 6423 4229

With a copy to:

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom
Attention: Liability Management Group
Tel: +44 207 545 8011

Korea Investment & Securities Asia Limited

Suite 3711-12, Jardine House 1 Connaught Place, Central
Hong Kong
Telephone: +852 2530 8900

This announcement is not an offer or a solicitation of offers. The Exchange Offer is made solely by means of the Exchange Offer Memorandum. The Exchange Offer does not constitute, and may not be used in connection with, an offer or

solicitation by anyone in any jurisdiction where an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any New Notes and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Exchange Offer will only be made to, and the New Notes are being offered and will be issued only to, Eligible Holders who are located outside of the United States and hold the Reg S Notes through Euroclear or Clearstream or certain fiduciaries holding accounts for the benefit of persons located outside of the United States and holding the Reg S Notes through Euroclear or Clearstream. The New Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdictions, and the New Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of any other jurisdiction.

The Exchange Offer is not being made, directly or indirectly, to the public in Belgium. The Exchange Offer Memorandum has not been and will not be notified to nor approved by the Belgian Banking, Finance and Insurance Commission (Commission Bancaire, Financière et des Assurances/Commissie voor het Bank, Financie en Assurantiewezen) and neither this Exchange Offer Memorandum nor any other documents or materials relating to the Exchange Offer has been, or will be, approved by the Belgian Banking, Finance and Insurance Commission. Accordingly, the Exchange Offer may not be advertised or made (either directly or indirectly) and neither the Exchange Offer Memorandum nor any such documents or materials may be distributed or made available in Belgium other than to institutional investors, as referred to in article 10 of the Law of 16 June 2006 on public offers of investment instruments and the admission to trading of investment instruments on a regulated market, acting for their own account.

The Exchange Offer is not being made, directly or indirectly, to the public in Cayman Islands. The New Notes have not been and will not be offered or sold in the Cayman Islands.

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France (“France”). Neither this Exchange Offer Memorandum nor any other documents or materials relating to the Exchange Offer has been or will be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (investisseurs qualifiés), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code Monétaire et Financier, are eligible to participate in the Exchange Offer. This Exchange Offer Memorandum has not been and will not be submitted to or approved by the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers.

The Exchange Offer is not being made to the public in Hong Kong, by means of any document, other than (1) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made thereunder, or (2) in circumstances that do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (the “CWUMPO”) or that do not constitute an offer to the public within the meaning of the CWUMPO. The New Notes may not be offered or sold in Hong Kong by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the CWUMPO or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Exchange Offer or the New Notes may be issued or may be in the possession of any person, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Exchange Offer and/or New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under the Ordinance.

The communication of this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made, directly or indirectly, in the territory of Mongolia.

The communication of this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made, directly or indirectly, in the People’s Republic of China (the “PRC”, for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

None of the Exchange Offer, this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer have been or will be registered as a prospectus with the Monetary Authority of Singapore. The Exchange Offer does not constitute an offering of securities in Singapore pursuant to the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, the New Notes may not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this Exchange Offer Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, whether directly or indirectly, to any person in Singapore other

than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

None of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer constitute a public offering of securities pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations. The information presented in this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer does not necessarily comply with the information standards set out in the SIX Swiss Exchange listing rules.

The communication of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made and such documents and/or materials have not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (such persons together being “Relevant Persons”). The Exchange Offer Memorandum is only available to Relevant Persons and the transactions contemplated herein will be available only to, or engaged in only with, Relevant Persons, and must not be relied or acted upon by persons other than Relevant Persons.

The Exchange Offer Memorandum has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Services Supervisory Authority (Commission de Surveillance du Secteur Financier, the “CSSF”) or a competent authority of another Member State of the EEA for notification to the CSSF, where applicable, for any purposes and including for purposes of a public offering or sale of any financial instrument (within the meaning of MiFID II) in the Grand Duchy of Luxembourg. Accordingly, no financial instrument (within the meaning of MiFID II) will nor may any such financial instrument be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Exchange Offer Memorandum nor any other offering circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, from or published in, Luxembourg, except in circumstances where the offer is made pursuant to an exemption from the requirement to publish a prospectus (i) under the Prospectus Regulation and (ii) under the Luxembourg law of 16 July 2019 on prospectuses for securities, as amended.

The Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are only addressed to and directed at persons in member states of the European Economic Area (the “EEA”), who are “qualified investors” within the meaning of Article 2 C of the European Union’s Regulation (EU) 2017/1129. The Exchange Offer is only available to qualified investors. None of the information in this Exchange Offer Memorandum and any other documents and materials relating to the Exchange Offer should be acted upon or relied upon in any member state of the EEA by persons who are not qualified investors.