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MIE HOLDINGS CORPORATION

MI能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 20 June 2019 (after trading hours of the Stock Exchange), the Company entered into three Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 300,000,000 Subscription Shares at the Subscription Price of approximately HK\$0.17 per Subscription Share. No placing agent was appointed for the Share Subscription.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 300,000,000 Subscription Shares represent (i) approximately 9.344% of the existing issued Shares of the Company as at the date of this announcement; and (ii) approximately 8.546% of the issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate, and therefore the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders. The net proceeds will be approximately HK\$50,900,000.

The net proceeds are intended to be used for general corporate and working capital purposes.

INTRODUCTION

On 20 June 2019 (after trading hours of the Stock Exchange), the Company entered into three Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 300,000,000 Subscription Shares at the Subscription Price of approximately HK\$0.17 per Subscription Share. The number of Shares to be subscribed by JI Qing is 29,411,765, XU Jing is 29,411,765 and LIN Wan Qaing is 241,176,470.

THE SUBSCRIPTION AGREEMENTS

The First Subscription Agreement

Date:

20 June 2019 (after trading hours)

Parties:

- (i) the Company; and
- (ii) JI Qing as the First Subscriber.

Pursuant to the terms of the First Subscription Agreement, the First Subscriber will subscribe for 29,411,765 Subscription Shares at the Subscription Price.

The Second Subscription Agreement

Date:

20 June 2019 (after trading hours)

Parties:

- (i) the Company; and
- (ii) XU Jing as the Second Subscriber.

Pursuant to the terms of the Second Subscription Agreement, the Second Subscriber will subscribe for 29,411,765 Subscription Shares at the Subscription Price.

The Third Subscription Agreement

Date:

20 June 2019 (after trading hours)

Parties:

- (i) the Company; and
- (ii) LIN Wan Qaing as the Third Subscriber.

Pursuant to the terms of the Third Subscription Agreement, the Third Subscriber will subscribe for 241,176,470 Subscription Shares at the Subscription Price.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscribers are all Independent Third Parties.

The Subscription Shares

As at the date of this announcement, the Company has 3,210,596,793 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 300,000,000 Subscription Shares represent:

- (i) approximately 9.344% of the existing issued Shares of the Company as at the date of this announcement; and
- (ii) approximately 8.546% of the issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares

The aggregate nominal value of the Subscription Shares is US\$ 300,000 (equivalent to approximately HK\$ 2,340,000).

Subscription Price

The Subscription Price represents: (i) a discount of approximately 18.7% to the closing price of HK\$0.209 per Share as quoted on the Stock Exchange on 20 June 2019, being the closing price on the date of the Subscription Agreements; and (ii) a discount of approximately 16.7% to the average closing price of approximately HK\$0.204 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers and determined with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Share Subscription

The Share Subscription is conditional upon the fulfilment of the following conditions: (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of the Subscription Shares; (ii) the Company's representations and warranties made pursuant to the Subscription Agreements being true and accurate and not misleading as of the date of the Subscription Agreements and the Completion Date; and (iii) each Subscriber's representations and warranties made pursuant to the Subscription Agreements being true and accurate and not misleading as of the date of the Subscription Agreements and the Completion Date.

In the event that any of the above conditions is not fulfilled on or before 30 September 2019 (or such later date as may be agreed between the parties to the Subscription Agreements), all obligations and liabilities of the parties to the Subscription Agreements shall cease and terminate and neither the Company nor the Subscribers shall have any claim against the other for costs, damages, compensation or otherwise.

Completion of the Share Subscription

Completion of the Share Subscription shall take place on the second Business Day after the day on which the Listing Committee of the Stock Exchange has granted the listing of and permission to deal in the Subscription Shares (or at such other time and/or date as may be agreed by the Subscribers and the Company in writing).

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue or to be issued by the Company on or prior to the date of completion of the Share Subscription, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Information on the Subscribers

No placing agent has been appointed for the Share Subscription.

The Subscription Shares will be allotted and issued to three Subscribers and the Company shall ensure the Subscribers being professional, institutional or other investors independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Share Subscription, none of the Subscribers will become a substantial Shareholder.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Up to the date of this announcement, 272,000,000 Shares have been issued under the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 587,719,358 Shares. The General Mandate is sufficient for the allotment and issue of all the Subscription Shares. As such, the issue of the Subscription Shares is not subject to further Shareholders' approval. The General Mandate will be utilized as to approximately 97.325% upon the allotment and issue of all the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION AND USE OF PROCEEDS

The Company has decided to raise additional funds for general corporate and working capital purposes. The Directors are of the view that the Share Subscription represents a good opportunity for the Group to raise capital while broadening the Shareholder and capital base of the Company, which may in turn enhance liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Subscription Agreements are entered into upon normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Share Subscription will be approximately HK\$51.0 million. The net proceeds, after deduction of all relevant expenses are expected to be approximately HK\$50.9 million. The net proceeds are intended to be used for general corporate and working capital purposes.

The net Subscription Price will be approximately HK\$0.1697 per Share.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Share Subscription (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after the Completion of the Share Subscription) are as follows:

	As at the date of this announcement		Immediately after the completion of the Share Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Celestial Energy Limited ⁽¹⁾	88,521,234	2.757%	88,521,234	2.522%
New Sun International Energy Limited ⁽²⁾	530,000,000	16.508%	530,000,000	15.097%
Champion International Energy Limited ⁽²⁾	399,070,000	12.430%	399,070,000	11.368%
Orient International Energy Limited ⁽²⁾	399,070,000	12.430%	399,070,000	11.368%
Power International Energy Limited ⁽²⁾	141,460,000	4.406%	141,460,000	4.030%
Zhang Ruilin ⁽²⁾⁽³⁾	100,000	0.003%	100,000	0.003%
Zhao Jiangwei ⁽²⁾⁽⁴⁾	3,100,000	0.097%	3,100,000	0.088%
Public Shareholders	1,649,275,559	51.370%	1,949,274,559	55.525%
Total	<u>3,210,596,793</u>	<u>100</u>	<u>3,510,596,793</u>	<u>100</u>

Notes:

- (1) Celestial Energy Limited is beneficially interested in 88,521,234 Shares. Ho Chi Sing is the sole shareholder of Celestial International Energy Limited. On 8 November 2014, Far East Energy Limited, Zhang Ruilin, Zhao Jiangwei, Zhao Jiangbo and Celestial Energy Limited entered into a put and call option agreement (as amended and supplemented from time to time), pursuant to which the parties have agreed to grant each other certain rights in relation to their shares, and Section 317(1)(a) of the Securities

and Futures Ordinance (Cap. 571) applies. In particular, a put option was granted by Far East Energy Limited to Celestial Energy Limited to sell up to 88,521,234 Shares on and subject to the terms and conditions therein.

- (2) Each of New Sun International Energy Limited, Champion International Energy Limited, Orient International Energy Limited and Power International Energy Limited is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is in turn wholly owned by Far East Energy Limited. Far East Energy Limited is owned as to 80% by Zhao Jiangbo, who is the spouse of Zhang Ruilin, 9.99% by Zhang Ruilin and 10% by Zhao Jiangwei. Pursuant to an acting-in concert agreement dated 24 May 2013 entered into by Zhang Ruilin, Zhao Jiangbo and Zhao Jiangwei, they agreed to act in concert in relation to all matters that require the decisions of the shareholders of Far East Energy Limited.
- (3) Zhang Ruilin is an executive Director and holds as beneficial owner 100,000 Shares and 7,887,000 share options.
- (4) Zhao Jiangwei is an executive Director and holds as beneficial owner 3,100,000 Shares and 7,887,000 share options.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the fundraising activities mentioned below, the Company had not conducted any equity fund raising activity in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds	Use of proceeds
20 March 2019	Subscription of 160,000,000 and 112,000,000 new Shares at the subscription price of HK\$0.10 by Dingfu International Health Industry Management Limited and Billion Wealth Enterprises Limited, respectively	Approximately HK\$27,100,000	The net proceeds was used towards the financing of the exchange offer of the Group and general corporate and working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Share Subscription is subject to the fulfilment of the conditions set out in the Subscription Agreements. The Share Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 18 May 2018
“Business Day”	a day (excluding a Saturday or Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
“Board”	the board of Directors
“Company”	MIE Holdings Corporation (stock code: 1555), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Share Subscription
“Completion Date(s)”	the actual date(s) of completion of the Share Subscription pursuant to the Subscription Agreements
“Directors”	director(s) of the Company
“First Subscriber”	JI Qing, being an Independent Third Party
“First Subscription Agreement”	the subscription agreement dated 20 June 2019 entered into between the Company and the First Subscriber in relation to the Share Subscription
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 587,719,358 new Shares may fall to be allotted and issued
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons

“Listing Committee”	the listing committee of the Stock Exchange
“Second Subscriber”	XU Jing, being an Independent Third Party
“Second Subscription Agreement”	the subscription agreement dated 20 June 2019 entered into between the Company and the Second Subscriber in relation to the Share Subscription
“Share Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the First Subscriber, the Second Subscriber and the Third Subscriber
“Subscription Agreements”	the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement
“Subscription Price”	HK\$0.17 per Subscription Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Subscription Shares”	an aggregate of 300,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreement
“Third Subscriber”	LIN Wan Qaing, being an Independent Third Party
“Third Subscription Agreement”	the subscription agreement dated 20 June 2019 entered into between the Company and the Third Subscriber in relation to the Share Subscription
“%”	per cent

By order of the Board of
MIE Holdings Corporation
Mr. Zhang Ruilin
Chairman

Hong Kong, 21 June 2019

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin and Mr. Zhao Jiangwei; (2) the non-executive director namely Ms. Xie Na; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun.