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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 10% INTEREST IN THE MOLIQING PRODUCTION SHARING CONTRACT

THE DISPOSAL

The Board is pleased to announce that on 18 November 2022 (after trading hours), the Vendor (being a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Interest held by the Vendor in the Moliqing PSC at the Consideration of USD5,000,000 (equivalent to approximately HK\$39,250,000). Upon Completion, the Group shall cease to own any interest in the Moliqing PSC.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the completion of the Disposal is subject to the fulfilment (or, as the case may be, waiver) of the Conditions. Shareholders and potential investors are reminded to exercise cautions when dealing in the securities of the Company.

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THE AGREEMENT

The principal terms of the Agreement are set out below.

Date

18 November 2022 (after trading hours)

Parties

- (i) the Vendor; and
- (ii) the Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be disposed of

Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Interest, representing 10% participating interest in the foreign contractors' entitlement and obligations under the Moliqing PSC.

The net profits (before taxation and extraordinary items) attributable to the Interest for the two financial years ended 31 December 2020 and 2021 were RMB3.7 million (approximately HK\$4.1 million) and RMB9.7 million (approximately HK\$10.7 million), respectively.

Upon Completion, the Group shall cease to own any interest in the Moliqing PSC.

Consideration

The Consideration is USD5,000,000 (equivalent to approximately HK\$39,250,000). The Purchaser (or its designated third party) shall, within ten Business Days after the signing of the Agreement, pay USD500,000 (equivalent to approximately HK\$3,925,000) in cash to the account designated by the Vendor as the first instalment of the Consideration. On the Completion Date, the Purchaser (or its designated third party) shall pay USD4,500,000 (equivalent to approximately HK\$35,325,000) in cash to the account designated by the Vendor as the final payment of the Consideration.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by taking into consideration various factors, including but not limited to the current production rate of the Moliqing oilfield, the book value of the assets and liabilities relating to the Interest in the amount of approximately RMB61.7 million (equivalent to approximately HK\$67.9 million) based on the unaudited management accounts of the Vendor as at 31 October 2022, capital commitment needed for the development of the oilfield and the fact that the Vendor has minimum influence over important business decisions as a non-operator.

On the Completion Date, the parties shall offset any amounts owed to each other upon written confirmation. For the avoidance of doubt, both parties confirm that as at 31 October 2022 (the "**Settlement Date**"), considering the Vendor's share of capital expenditure, operating expenses, related taxes and production revenue under the Moliqing PSC, the Vendor shall pay Riyadh Energy a sum of approximately RMB14.3 million ("**Settlement Date Payment**") as at the Settlement Date and the Purchaser has agreed to undertake the Settlement Date Payment on the basis that the Disposal will be completed.

Both parties further confirm that, with respect to the Vendor's share of capital expenditure, operating expenses, related taxes and production revenue under the Moliqing PSC from the Settlement Date to the Completion Date ("**Unsettled Amounts**"), the parties shall confirm the Unsettled Amount in good faith on the Completion Date. The Purchaser has agreed to undertake the Unsettled Amounts on the basis that the Disposal will be completed.

Conditions precedent

Completion is subject to the following Conditions being satisfied (or waived by the Purchaser, as the case may be) on or before the Longstop Date:

- (a) The Vendor having performed and complied with all obligations required under the Agreement on or before the Completion Date in all material respects;
- (b) The Vendor having obtained and made all approvals, licenses and filings related to the Disposal, including but not limited to:
 - (i) the Vendor having obtained a resolution from the Vendor's board of directors and/or shareholders approving of the Disposal;
 - (ii) the Vendor having obtained the approval from its or its shareholders' creditor(s) agreeing to the Disposal; and
 - (iii) the Vendor having obtained the written approval from CNPC agreeing to the Disposal.
- (c) Other customary conditions precedent including the Vendor's warranties being true and correct in all material respects and no material adverse event having taken place with respect to the Vendor or the Interest.

Unless otherwise waived by the Vendor, the Purchaser shall have obtained a board resolution approving the Disposal on or before Completion.

Completion and termination

Completion shall take place on the Completion Date. If any of the Conditions are not satisfied (and have not been waived) and/or Completion has not taken place as at the Longstop Date, the Purchaser may terminate the Agreement on or after the Longstop Date.

If Completion does not occur on or before the Longstop Date due to the Purchaser's failure to obtain its board resolution approving the Disposal, the Purchaser is not entitled to terminate the Agreement.

INFORMATION ON THE COMPANY, THE VENDOR AND THE PURCHASER

The Company

The Company is an investment holding company, the subsidiaries of which are principally engaged in the exploration, development, production and sale of oil and other petroleum products.

The Vendor

The Vendor is a direct wholly-owned subsidiary of the Company used to solely hold the Interest in the Moliqing oilfield. Prior to the Disposal, the Vendor was a foreign contractor and non-operator of the Moliqing oilfield.

The Purchaser

The Purchaser is a company incorporated in the Republic of Seychelles. The principal business activity of the Purchaser is an investment holding company that focuses on the development, production and sale of oil in the PRC.

REASONS FOR AND BENEFIT OF THE DISPOSAL

Considering the relatively small size of the reserves contribution from and the Group's interest in the Moliqing PSC, capital commitment needed for the development of the oilfield, minimum influence over important business decisions as a non-operator and the Group's current financial position, the Directors believe that the Consideration represents a fair valuation on the Interest. The Group intends to use the net proceeds from the Disposal to repay its outstanding loan in accordance with the restructured finance documents of the Company.

The Group expects to recognize a realized net loss from the Disposal of approximately RMB4.7 million (equivalent to approximately HK\$5.2 million), which is calculated by deducting from the total Consideration and other payment settlement (i) the book value of the assets and liabilities relating to the Group's interest in Moliqing PSC based on the unaudited management accounts of the Vendor as at 31 October 2022; and (ii) relevant transaction expenses and related taxes.

The actual gain or loss in connection with the Disposal may be different from the above and will be assessed after completion of the Disposal and is subject to the review by the Company's auditor.

The Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that completion of the Disposal is subject to the fulfilment (or, as the case may be, waiver) of the Conditions. Shareholders and potential investors are reminded to exercise cautions when dealing in the securities of the Company.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the assignment agreement dated 18 November 2022 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day excluding Saturdays, Sunday or public holiday of the PRC (including Mainland China, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan)
“CNPC”	China National Petroleum Corporation, a company established in the PRC
“Completion Date”	the date on which Completion takes place, which shall be the third Business Day after the date on which all of the Conditions is fulfilled or, as the case may be, waived, in accordance the terms of the Agreement
“Company”	MIE Holdings Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1555)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Conditions”	conditions precedent to the Completion as set out in the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration payable by the Purchaser pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Interest pursuant to the Agreement
“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 PRC
“independent third party”	an individual(s) or a company(ies) who or which is(are) independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Interest”	the 10% participating interest in the foreign contractors’ entitlement and obligations under the Moliqing PSC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 March 2023
“Moliqing PSC”	the production sharing contract for the development and production of the Moliqing oilfield dated 25 November 1998 as supplemented from time to time
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Purchaser”	Reliant Honour International Holdings Corporation, a company incorporated in the Republic of Seychelles and is an independent third party
“Riyadh Energy”	Riyadh Energy Limited, a company incorporated in the Cayman Islands with limited liability which held 90% foreign contractors’ interest in the Moliqing oilfield prior to the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	common share(s) of USD0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“USD”	United States dollars, the lawful currency of the United States of America
“Vendor”	MIE International Resources Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent

For the purpose of this announcement and for illustration purposes only, amounts denominated in USD and RMB have been converted into HK\$ using the exchange rate of USD1.00 = HK\$7.85 and RMB1.00 = HK\$1.10. No representation is made that any amount in USD or HK\$ could have been or could be converted at such rate or at any other rates at all.

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

Hong Kong, 18 November 2022

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei and Mr. Lam Wai Tong; (2) the non-executive directors namely Mr. Guan Hongjun and Ms. Gao Yan; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Liu Ying Shun, Mr. Yeung Yat Chuen, Mr. Guo Yanjun and Mr. Ai Min.