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MIE HOLDINGS CORPORATION

MI能源控股有限公司

(In Provisional Liquidation)

(For the Purposes of Presenting a Compromise or Arrangement to Creditors)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF 2018 OILFIELD SERVICES AGREEMENT

CONTINUING CONNECTED TRANSACTIONS

Renewal of 2018 Oilfield Services Agreement

Reference is made to the 2018 Announcement and the 2018 Circular, whereby, inter alia, Jilin Guotai, Guotai Technology and the Company entered into the 2018 Oilfield Services Agreement for a term of three years ending December 31, 2021, which constituted continuing connected transactions of the Company under the Listing Rules. As the Group will continue such transactions following the expiry of the current term ending December 31, 2021, the Company has entered into the Renewed Oilfield Services Agreement, details of which are described below.

On December 31, 2021, Jilin Guotai, Guotai Technology and the Company entered into the Renewed Oilfield Services Agreement for a term of three years ending December 31, 2024, pursuant to which Jilin Guotai and Guotai Technology agreed to provide, and procure that their respective subsidiaries provide, to the Group various oilfield services including well maintenance services, well logging services, fracturing services, oil tanker transportation services, oilfield construction related works and other oil operations related services, subject to the entering into of individual contracts as agreed between members of the Jilin Guotai Group and members of the Group from time to time, pursuant to the Renewed Oilfield Services Agreement.

Implications under the Listing Rules

As at the date of this announcement, Jilin Guotai is owned as to 70% by Mrs. Zhang, the spouse of Mr. Zhang and as to 30% by Mr. Zhao. Guotai Technology is a subsidiary of Jilin Guotai as at the date of this announcement. As such, Jilin Guotai and Guotai Technology are connected persons of the Company under the Listing Rules, by virtue of each being an associate of Mr. Zhang and Mr. Zhao.

Accordingly, the continuing transactions between the Group and the Jilin Guotai Group constitute continuing connected transactions for the Company under the Listing Rules. As the Proposed Annual Caps are each expected to represent 5% of one or more of the applicable percentage ratios under the Listing Rules and exceed HK\$10 million, the Renewed Oilfield Services Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other matters, (i) a letter from the Board containing further details of the transactions contemplated under the Renewed Oilfield Services Agreement (including the Proposed Annual Caps); (ii) a letter from the Independent Board Committee; (iii) a letter from an independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Renewed Oilfield Services Agreement; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders before January 14, 2022. Mr. Zhang, Mr. Zhao and their respective associate(s) shall abstain from voting on the relevant resolution(s) to be passed at the EGM.

Since the Renewed Oilfield Services Agreement is subject to the fulfilment of the condition precedent set out therein and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

RENEWAL OF 2018 OILFIELD SERVICES AGREEMENT

Reference is made to the announcement and the circular of the Company dated December 6, 2018 (the “**2018 Announcement**”) and December 31, 2018 (the “**2018 Circular**”), whereby, *inter alia*, Jilin Guota, Guotai Technology and the Company entered into the 2018 Oilfield Services Agreement for a term of three years ending December 31, 2021, which constituted continuing connected transactions of the Company under the Listing Rules. As the Group will continue such transactions following the expiry of the current term ending December 31, 2021, the Company has entered into the Renewed Oilfield Services Agreement, details of which are described below.

The Renewed Oilfield Services Agreement

Date: December 31, 2021

Parties: (1) Jilin Guotai (on behalf of itself and its subsidiaries);
(2) Guotai Technology (on behalf of itself and its subsidiaries); and
(3) the Company (on behalf of itself and its subsidiaries)

Nature of the transactions

Under the Renewed Oilfield Services Agreement, Jilin Guotai and Guotai Technology agreed to provide, and procure that their respective subsidiaries provide, and the Group agreed to utilize, various oilfield services including well maintenance services, well logging services, fracturing services, oil tanker transportation services, oilfield construction related works and other oil operations related services (the “**Oilfield Services**”), subject to the entering into of individual agreements as agreed between members of the Jilin Guotai Group and members of the Group from time to time. The terms of each individual agreement between members of the Group and the members of the Jilin Guotai Group are subject to review and approval of the procurement representative from the joint management committee (“**JMC**”). The JMC, comprising equal number of members appointed by PetroChina and the Company, shall perform supervisory functions for the Group’s oilfields under the relevant production sharing contract. Any action taken by the JMC must be made unanimously.

Pricing policies

The amount of service fees for the provision of the Oilfield Services will be based on normal commercial terms and negotiated on arm’s length basis between the parties with reference to prevailing market rates, and shall be no less favourable than those offered by independent third parties of the Group.

Subject to the general principle disclosed above, the pricing policy for the provision of each of the Oilfield Services is briefly described as follows. Prior to entering into any service contract with the Jilin Guotai Group, under the supervision of the JMC, the relevant member of the Group will obtain prevailing market price in the open market by shortlisting via a tender process or by shortlisting at least another independent third party supplier if there is no sufficient bidders to commence a tender process. It will then conduct an evaluation of whether the price offered by the Jilin Guotai Group is fair and reasonable and comparable to those offered by independent third parties, taking into account the prevailing market price for the provision of the Oilfield Services and the relevant costs. In general, the relevant member of the Group will first consider the supplier with the lowest quotation or tender amount. The relevant member of the Group will also take into consideration other non-cost factors, including but not limited to relevant experience, capability, equipment and safety records of the relevant supplier. After considering the above-mentioned factors, the management of the relevant member of the Group will then decide on whether to award the contract to the Jilin Guotai Group.

Proposed Annual Caps

As disclosed in the 2018 Announcement and the 2018 Circular, the proposed annual caps for the transactions under the 2018 Oilfield Services Agreement for the three years ending December 31, 2021 were RMB167.0 million, RMB189.0 million and RMB208.0 million, respectively. The aggregate service fees paid or to be paid by the Group to the Jilin Guotai Group for services procured for the year ended December 31, 2019, the year ended December 31, 2020 and the 10 months ended October 31, 2021 were approximately RMB111.8 million, RMB97.1 million and RMB103.8 million, respectively.

The Proposed Annual Caps for the transactions contemplated under the Renewed Oilfield Services Agreement are RMB128.0 million, RMB162.0 million and RMB171.0 million for the year ending December 31, 2022, December 31, 2023 and December 31, 2024, respectively. Such annual caps are determined by reference to the historical values of the transactions between the Group and members of the Jilin Guotai Group for Daan production sharing contracts and the anticipated demand for such services by the Group, taking into account the requirements of Daan production sharing contracts, which are primarily involved in oil and gas development and production in the PRC, respectively.

As most of the Oilfield Services provided by the Jilin Guotai Group to the Group are in relation to the operation of the Group's Daan oilfield, the proposed annual caps were largely derived from and based on the three year plan devised for work done for the Daan oilfield (the "**Three Year Plan**"). The Directors took into consideration, among others, the expected increase in average oil price, the annual work program under the Three Year Plan, the estimated scope of works and/or services which may be provided by the Jilin Guotai Group under the annual work program and the estimated costs of such works and/or services. For the purpose of setting the Proposed Annual Caps, the Company considered the steady oil prices in recent months, the overall economic situation in the PRC following the curtailing measures adopted by the PRC government against the COVID-19 pandemic, the planned increase in oil development and production in its oilfields. The Directors believe that the growth momentum of business would gradually resume and the increase in development activities will stabilize production and enhance cash flow of the Company. As a result of the expected increase in oil development and production in the Group's oilfields, there will also be a corresponding increase in the procurement of oilfield services expected to be provided by the Jilin Guotai Group under the Renewed Oilfield Services Agreement.

In setting the annual cap for the year ending December 31, 2022, a nominal increase of approximately RMB3.4 million based on the Estimated 2021 Transaction Amount has been adopted. Over the past few years, the Company has not made extensive program due to financial pressure from (i) high leverage; (ii) low oil prices; and (iii) COVID-19 pandemic. As such, for the years of 2019, 2020 and 2021, the services provided by Jilin Guotai Group for the Company's operations were significantly lower than previously anticipated. With the rebound oil prices in 2021 and the execution of a restructuring supporting agreement with key creditors in October 2021, the Group started to increase its drilling program and other related work. The Company plans to continue similar level of work program in 2022 during the implementation of restructuring steps. In setting the annual cap for the year ending December 2023, an additional increase of RMB34.0 million over the 2022 annual cap was adopted. It is in line with the Company's plan to carry out additional work program in 2023, after the implementation of restructuring and assuming oil and gas prices remain at a

relatively steady level, to achieve or exceed its pre-pandemic production level for the benefit of creditors and shareholders. The annual cap for the year ending December 2024 is set at a nominal increase of approximately RMB9.0 million over that of 2023.

Condition precedent

The Renewed Oilfield Services Agreement is subject to and conditional upon the Company having obtained approval of the Independent Shareholders at the EGM of the Company in accordance with the applicable requirements of the Listing Rules and the articles of association of the Company.

Reasons for the transactions

The Group is principally engaged in oil and gas exploration, development and production, and the Oilfield Services currently provided and to be provided under the Renewed Oilfield Services Agreement are therefore necessary and conducive to the operations of the Group. The Jilin Guotai Group is one of the largest non-state owned oilfield service companies providing the oilfield services in Jilin Province.

The Company believes that the rates offered by state-owned oilfield service companies in general are more expensive. Further, state-owned oilfield service companies normally give priority to state-owned oil companies and have less flexibility in terms of scheduling. On the other hand, the Jilin Guotai Group has been reliable, providing high quality service to the Group in a timely manner upon the Group's request, even during peak periods, and at rates lower than those offered by state-owned oilfield service companies.

The Renewed Oilfield Services Agreement allows members of the Group the flexibility but not the obligation to procure relevant Oilfield Services from the Jilin Guotai Group. Given the long-term cooperation between members of the Group and the Jilin Guotai Group, the Directors believe that the entering into the Renewed Oilfield Services Agreement (i) can create synergies arising from familiarity amongst parties, hence allowing more effective communication and higher work efficiency; and (ii) allows members of the Group the flexibility but not the obligation to procure relevant Oilfield Services.

Accordingly, the Directors, including the independent non-executive Directors, are of the view that it is beneficial for the Group to continue cooperating with the Jilin Guotai Group by securing its provision of the Oilfield Services via entering into of the Renewed Oilfield Services Agreement. The Directors, including the independent non-executive Directors, consider that the transactions between Jilin Guotai and their subsidiaries and the Group were entered into after arm's length negotiations and are on normal commercial terms and that the terms of such transactions and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

As both Mr. Zhang and Mr. Zhao were considered as having a material interest in the Renewed Oilfield Services Agreement and the transactions contemplated thereunder, they have abstained from voting at the relevant Board meeting in respect of the resolutions to approve the transactions.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Jilin Guotai is owned as to 70% by Mrs. Zhang, the spouse of Mr. Zhang and as to 30% by Mr. Zhao. Guotai Technology is a subsidiary of Jilin Guotai as at the date of this announcement. As such, Jilin Guotai and Guotai Technology are connected persons of the Company under the Listing Rules, by virtue of each being an associate of Mr. Zhang and Mr. Zhao.

Accordingly, the transactions between the Group and the Jilin Guotai Group and their respective subsidiaries constitute continuing connected transactions for the Company under the Listing Rules. As the Proposed Annual Caps are each expected to represent 5% of one or more of the applicable percentage ratios under the Listing Rules and exceed HK\$10 million, the Renewed Oilfield Services Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other matters, (i) a letter from the Board containing further details of the transactions contemplated under the Renewed Oilfield Services Agreement (including the Proposed Annual Caps); (ii) a letter from the Independent Board Committee; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Renewed Oilfield Services Agreement; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders before January 14, 2022.

Mr. Zhang, Mr. Zhao and their respective associate(s) shall abstain from voting on the relevant resolution(s) to be passed at the EGM.

INFORMATION ON THE GROUP, JILIN GUOTAI AND ITS ULTIMATE BENEFICIAL OWNERS, AND GUOTAI TECHNOLOGY

The Group is principally engaged in the exploration, development, production and sale of oil, gas and other petroleum products. The Group is currently entitled to 100% and 10% participating interest in the foreign contractors' entitlement and obligations under the production sharing contracts for the Daan oilfield and Moliqing oilfield respectively. The Daan and Moliqing oilfields are situated in Jilin Province and are the Group's most productive oilfield in the PRC. The Group also participates as an associate in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan.

Jilin Guotai is a company incorporated in the PRC. As at the date of this announcement, Jilin Guotai is one of the largest oilfield service providers in Songyuan, Jilin Province and is principally engaged in well maintenance, well logging, well cementing, fracturing, downhole operation, and processing and sale of drilling and extraction accessories. As at the date of this announcement, the ultimate beneficial owners of Jilin Guotai are Mrs. Zhang (being the spouse of Mr. Zhang), who holds 70% of Jilin Guotai's issued shares and Mr. Zhao, who holds 30% of Jilin Guotai's issued shares. Mr. Zhang is an executive Director and the chairman of the Company, whereas Mr. Zhao is an executive Director and the senior vice president of the Company.

Guotai Technology is a company incorporated in the PRC and a wholly-owned subsidiary of Jilin Guotai as at the date of this announcement. It is primarily engaged in providing oilfield services focusing on chemical enhanced oil recovery and plans to expand its scope of services to include well maintenance, well logging, well cementing, fracturing, downhole operation and processing and sale of drilling and extraction accessories.

DEFINITIONS

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

“2018 Oilfield Services Agreement”	the framework agreement entered into on December 6, 2018 between Jilin Guotai, Guotai Technology, Jilin Guotai Drilling Engineering Technology Service Company* (吉林國泰鑽採工程技術服務有限責任公司) and the Company, pursuant to which Jilin Guotai, Guotai Technology and Guotai Drilling agreed to provide, and procure that their respective subsidiaries provide, to the Group from time to time the Oilfield Services
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company which, among other details including the agenda and time of such meeting, shall be as stipulated in the Company’s notice to EGM that is expected to be despatched to the Shareholders before January 14, 2022
“Estimated 2021 Transaction Amount”	approximately RMB124.6 million, being the amount under the 2018 Oilfield Services Agreement for the year ending December 31, 2021 calculated by annualizing the 10 months ended October 31, 2021 of approximately RMB103.8 million
“Group”	the Company and its subsidiaries from time to time

“Guotai Technology”	Songyuan Guotai Petroleum Technology Service Company* (松原市國泰石油科技服務有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of Jilin Guotai as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely, Mr. Mei Jianping, Mr. Liu Yingshun, Ms. So Tsz Kwan, and Mr. Guo Yanjun and Mr. Ai Min, to consider the terms of Continuing Connected Transactions and the Proposed Annual Caps
“Independent Shareholders”	Shareholders other than Mr. Zhang, Mr. Zhao and their respective associates
“independent third party”	has the meaning ascribed to it under the Listing Rules
“Jilin Guotai”	Jilin Guotai Petroleum Development Company* (吉林省國泰石油開發有限公司), a company incorporated in the PRC and held as to 70% by Mrs. Zhang and 30% by Mr. Zhao as at the date of this announcement
“Jilin Guotai Group”	Jilin Guotai and Guotai Technology and their respective subsidiaries (if any) from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhang”	Mr. Zhang Ruilin, an executive Director and the chairman of the Company
“Mr. Zhao”	Mr. Zhao Jiangwei, an executive Director and the senior vice president of the Company
“Mrs. Zhang”	Ms. Zhao Jiangbo, the spouse of Mr. Zhang
“PetroChina”	PetroChina Company Limited, an independent third party
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Taiwan, Hong Kong and the Macao Special Administrative Region
“Proposed Annual Caps”	the proposed annual caps in respect of the continuing connected transactions contemplated under the Renewed Oilfield Services Agreement for the three years ending December 31, 2024

“Renewed Oilfield Services Agreement”	the framework agreement entered into on December 31, 2021 between Jilin Guotai, Guotai Technology and the Company, pursuant to which Jilin Guotai and Guotai Technology agreed to provide, and procure that their respective subsidiaries (if any) provide, to the Group from time to time the Oilfield Services
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

* *for identification purposes only*

By Order of the Board
MIE Holdings Corporation
(In Provisional Liquidation)
(For the Purposes of Presenting
a Compromise or Arrangement to Creditors)
Mr. Zhang Ruilin
Chairman

Hong Kong, December 31, 2021

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei and Mr. Wong Ka Wai; (2) the non-executive directors namely Mr. Guan Hongjun and Mr. Cheng Ko Pang; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Liu Ying Shun, Ms. So Tsz Kwan, Mr. Guo Yanjun and Mr. Ai Min.