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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)

VERY SUBSTANTIAL DISPOSAL

PROPOSED DISPOSAL OF 40% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

THE PROPOSED TRANSACTION

The Board is pleased to announce that on 20 January 2022, the Company, the Seller (a wholly-owned subsidiary of the Company) and MIE Maple (a wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser (an Independent Third Party), pursuant to which:

- (1) the Seller has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Shares;
- (2) MIE Maple has conditionally agreed to assign and transfer to the Purchaser, and the Purchaser has conditionally agreed to accept the assignment and the transfer of the Loans; and
- (3) the Company has conditionally agreed to assign and transfer to the Purchaser, and the Purchaser has conditionally agreed to accept the assignment and transfer of the rights, title, interest and benefit in the Deferred Consideration and Remaining Completion Amount.

The Consideration to be paid by the Purchaser to the Company (on behalf of the MIE Entities) shall be USD55,000,000.

As at the date of this announcement, the Sale Shares represents 40% of all issued share capital of the Target Company, which holds all issued share capital of Emir-Oil. Upon completion of the Proposed Disposal, the Seller will cease to hold any shares or other interest in the Target Company and Emir-Oil.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Transaction as calculated under the Listing Rules exceeds 75%, the Proposed Transaction constitutes a very substantial disposal of the Company under the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the Proposed Transaction.

A circular containing, among other things, (i) further details of the Agreement and the Proposed Transaction, (ii) relevant financial information as required by the Listing Rules, (iii) a competent person's report; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 15 March 2022. As additional time is required by the Company to prepare the information (including without limitation the competent person's report and the financial information) to be included in the circular, it is expected that the circular will be despatched to the Shareholders more than 15 business days after the publication of this announcement. If it is expected that there will be a further delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

WARNING

As completion of the Proposed Transaction is subject to the approval of the Shareholders at the EGM and the satisfaction of certain conditions precedent, the Proposed Transaction may or may not proceed. Therefore, Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 20 January 2022, the Company, the Seller (a wholly-owned subsidiary of the Company) and MIE Maple (a wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser (an Independent Third Party), pursuant to which:

- (1) the Seller has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Shares;
- (2) MIE Maple has conditionally agreed to assign and transfer to the Purchaser, and the Purchaser has conditionally agreed to accept the assignment and the transfer of the Loans; and
- (3) the Company has conditionally agreed to assign and transfer to the Purchaser, and the Purchaser has conditionally agreed to accept the assignment and transfer of the rights, title, interest and benefit in the Deferred Consideration and Remaining Completion Amount.

The Consideration to be paid by the Purchaser to the Company (on behalf of the MIE Entities) shall be USD55,000,000.

As at the date of this announcement, the Sale Shares represents 40% of all issued share capital of the Target Company, which holds all issued share capital of Emir-Oil. Upon completion of the Proposed Disposal, the Seller will cease to hold any shares or other interest in the Target Company and Emir-Oil.

THE AGREEMENT

A summary of the principal terms of the Agreement is set out below:

Date 20 January 2022

Parties

- (1) the Company;
- (2) the Seller;
- (3) MIE Maple; and
- (4) the Purchaser (as the purchaser).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

Subject matters

On and subject to the terms of the Agreement, on the Completion Date:

- (1) the Seller shall sell and the Purchaser shall purchase the Sale Shares together with all rights attaching thereto including but not limited to all dividends paid, declared or made by Emir-Oil in accordance with the Shareholders' Agreement on or after the date of the Agreement;
- (2) MIE Maple shall assign and transfer to the Purchaser, and the Purchaser shall accept such assignments and transfers of the Loans; and
- (3) the Company shall assign and transfer to the Purchaser, and the Purchaser shall accept the assignment and transfer of the rights, title, interest and benefit in the Deferred Consideration and Remaining Completion Amount,

in each case free from all encumbrances other than those created in favour of the Purchaser to secure the MIE Loan.

Other than otherwise agreed between the parties to the Agreement, none of the parties shall be obliged to complete any of the Proposed Transaction unless all of the Proposed Transaction take place simultaneously at Completion.

Consideration and payment

The Consideration shall be the payment by the Purchaser to the Company (on behalf of the MIE Entities) of an aggregate amount of USD55,000,000 on the Completion Date.

The Consideration shall be netted off against part of the outstanding amount due by the Company to the Purchaser under the MIE Loan at Completion ("**MIE Loan Completion Balance**") on a dollar-for-dollar basis, as a result of which:

- (1) the Purchaser will be considered to have effected full payment of the Consideration to the Company at Completion;
- (2) the MIE Loan Completion Balance shall be reduced by an amount equivalent to the Consideration ("**Deemed Repaid Debt**"); and
- (3) the Deemed Repaid Debt shall be deemed to be repaid by the Company to the Purchaser on the Completion Date.

The Consideration was determined after arm's length negotiations between the MIE Entities and the Purchaser with reference to a number of factors, including the value of Target Assets at approximately USD55,000,000.

The net book value as at 30 September 2021 of each of the Target Assets being (i) Sale Shares, (ii) the Loans and (iii) the Deferred Consideration and Remaining Completion Amount was nil, USD55,000,000 and nil, respectively, and the outstanding balance of the Deferred Consideration and Remaining Completion Amount as at 30 September 2021 was approximately USD59,000,000. Given that the Deferred Consideration and Remaining Completion Amount had been overdue for over 5 years after various collection attempts and the recoverability of the same is extremely low, the entire balance had been written off in the Company's accounts. The Proposed Transaction is a package deal and the Purchaser would only consider acquiring the Sale Shares if Target Assets are sold and assigned to the Purchaser as a whole the aggregate Consideration of USD55,000,000.

The details and value of the reserve of the Target Company will be contained in the circular to be despatched to the Shareholders. Based on the Directors' assessment taking into account the facts that (i) the Company only indirectly owns 40% of the shares in the Target Company and does not have control over the Target Company and its assets, (ii) the capital requirements for development of the mine held by the Target Company would be substantial and therefore a financial burden for the Company, (iii) the Seller had tried to sell its 40% interests in the Target Company but had not received any better offer than those offered by the Purchaser, the Directors consider that, from the perspective of the Company, the commercial value of the 40% interests in the Target Company is not substantial and the sale of the Target Assets at the Consideration of USD55,000,000 can help alleviate the Company's liquidity issues.

Based on the above, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions (collectively, “**Conditions**”) being satisfied (unless otherwise waived in accordance with the terms of the Agreement) on or before the Longstop Date:

- (1) the Company having received:
 - (a) the approval of the Proposed Transaction from the Shareholders at the EGM as required by, and in the manner prescribed under, the Listing Rules; and
 - (b) to the extent required, consents, waivers, permissions and approvals in relation to the Proposed Transaction from the Stock Exchange;
- (2) to the extent applicable and to the extent that such consent has not been previously obtained:
 - (a) the Company having obtained the prior written consent of Reach Energy for (i) the assignment and transfer of the Company’s rights, title, interest and benefit in the Deferred Consideration and Remaining Completion Amount to the Purchaser, and (ii) the assignment and transfer of the Company’s all other rights and benefits under the 2016 SPA to the Purchaser or its designated person(s); and
 - (b) the Company and the Seller having obtained the prior written consent of Reach Energy, RE Subsidiary and the Target Company for the Proposed Transaction as required under the Shareholders’ Agreement including but not limited to waiver of all pre-emption rights and rights of first refusal with respect to the Sale Shares;
- (3) the Seller’s representative acting on the basis of a power of attorney issued by the Purchaser having procured the approval of the Competent Body for the indirect transfer of subsoil use rights under the Contracts through the sale and transfer of the Sale Shares;
- (4) the representations and warranties given by the MIE Entities under the Agreement being true, complete and accurate in all material respects and not misleading up to and including the Completion Date;

- (5) the Purchaser being satisfied (acting reasonably) that, as at Completion, there has not been any material adverse change in respect of any member of the Target Group;
- (6) the MIE Entities having obtained all other waivers, consents or approvals of any relevant governmental or regulatory authorities or other third parties required or appropriate for, or relevant to, the entry into and the implementation and completion of the Agreement; and
- (7) the Purchaser having obtained all other waivers, consents or approvals of any relevant governmental or regulatory authorities (including but not limited to any competition authority) or other third parties required or appropriate for, or relevant to, the entry into and the implementation and completion of the Agreement.

The Purchaser may, by written notice to the MIE Entities, waive any of (4) and (5) of the Conditions in whole or in part at any time on or before the Longstop Date. For the avoidance of doubt, save as aforesaid, none of the parties may waive any of the conditions in whole or in part.

The relevant MIE Entities (with reasonable assistance from the Purchaser in respect of (2(b)) and (3) of the Conditions) shall use their reasonable endeavours to satisfy or procure the satisfaction of the conditions (other than (4) and (5) of the Conditions) which have not already been satisfied or waived as soon as possible and in any event on or before the Longstop Date.

The Purchaser shall use its reasonable endeavours to satisfy, or procure the satisfaction of, (7) of the Conditions which have not already been satisfied or waived as soon as possible and in any event on or before the Longstop Date.

If the Conditions have not been fulfilled (or, in respect of (4) and (5) of the Conditions, waived) in full on or before the Longstop Date, unless specified otherwise in the Agreement, the Agreement shall be automatically terminated and none of the parties shall have any claim against or liability to the other parties in respect of any part of the Proposed Transaction, save in respect of any antecedent breaches of the Agreement.

Completion

Completion shall take place on the Completion Date (or at such other time as the parties shall agree) subject to and following the satisfaction or waiver of the Conditions in full and with the exception of the completion obligations set out in the Agreement which shall take place in the Netherlands at the offices of a notary's office in Amsterdam, Netherlands as agreed by the parties to the Agreement. At Completion, all other rights of the Company under the 2016 SPA will also be assigned and transferred to the Purchaser or its designated person.

Without prejudice to any other remedies available to, as applicable, the MIE Entities or Purchaser (as the case may be), if any of the MIE Entities or the Purchaser (as the case may be) fail to observe and perform any of its respective Completion obligations on the Completion Date, the MIE Entities or the Purchaser (as the case may be) may:

- (1) defer Completion to a date falling not less than five days and not more than 28 days after the original Completion Date (provided that time in which case, being of the essence and if Completion is not effected on such deferred date, the MIE Entities or the Purchaser (as the case may be) may terminate the Agreement; or
- (2) proceed to Completion so far as practicable (without prejudice to its other rights under the Agreement); or
- (3) terminate the Agreement forthwith.

Where the Agreement is terminated by, as applicable, the MIE Entities or the Purchaser pursuant to the exercise of their/its rights as described above, all obligations of, as applicable, the Purchaser or the MIE Entities under the Agreement (including, in particular, the Purchaser's payment obligations of the consideration) shall cease and terminate, and no party shall have any claim against or liability to the other party with respect to any matter referred to in the Agreement save for any antecedent breaches of the Agreement.

Taxes

The MIE Entities shall bear all taxes including stamp duty, stamp duty reserve tax or other documentary or transaction duties and any other transfer taxes and filing, approval or consent fees and any other costs and expenses arising as a result of or in connection with the Agreement or any other transaction document or of the implementation or completion of the Agreement.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company organized and existing under the laws of the Netherlands and is an investment holding company held as to 40% and 60% respectively by the Seller and RE Subsidiary as at the date of this announcement. As at the date of this announcement, the Target Company holds all issued share capital of Emir-Oil, which is a company registered in Kazakhstan and primarily engaged in the business of exploration for and production of hydrocarbons in Kazakhstan.

Set out below is the financial information on the Target Group:

	For the year ended 31 December	
	2019	2020
	<i>approximate</i>	<i>approximate</i>
	<i>USD'000</i>	<i>USD'000</i>
	(unaudited)	(unaudited)
Net loss for the year before taxation and extraordinary items	80,764	53,961
Net loss for the year after taxation and extraordinary items	70,100	43,838

FINANCIAL IMPACT OF THE PROPOSED TRANSACTION ON THE GROUP

As the date of this announcement, the Seller holds the Sale Shares, representing 40% of all issued share capital of the Target Company, which in turn holds all issued share capital of Emir-Oil. Upon completion of the Proposed Disposal, the Seller will cease to hold any shares or other interests in the Target Company and Emir-Oil.

The Company expects to record an unaudited disposal gain (before tax and expenses) of approximately USD5,000,000 (equivalent to approximately HK\$38,965,000) as at 30 September 2021, which is calculated by deducting from the Consideration for the Proposed Transaction (being approximately USD55,000,000 (equivalent to approximately HK\$428,615,000)) (i) the book value of the Target Assets approximately USD55,000,000 (equivalent to approximately HK\$428,615,000); (ii) the reversal of withholding tax payable to Kazakhstan tax authority accrued on the shareholder loans at approximately USD5,000,000 (equivalent to approximately HK\$38,965,000) and (iii) transaction expenses.

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

USE OF PROCEEDS

Pursuant to the terms of the Agreement, the Group will not receive any net cash proceeds from the Proposed Transaction as the full sum of the Consideration will be netted off against the outstanding amounts due by the Company to the Purchaser under the MIE Loan on a dollar-for-dollar basis (i.e. used for partial repayment of the MIE Loan).

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

Pursuant to the terms of the Agreement, the Consideration shall be applied towards repayment of the amounts due and outstanding under the MIE Loan. Taking into consideration the facts that (i) the Group does not currently have sufficient internal resources to repay the MIE Loan; (ii) the Proposed Transaction and the netting off of USD55,000,000 against the MIE Loan will (a) alleviate the repayment pressure under the MIE Loan; and (b) moderate the Group's ongoing issues with working capital and going concern by lowering the Group's current liabilities and, in turn, place the Group at a better position to negotiate and obtain fund raising arrangements or debt financing for its business operations and development in future when necessary.

The Board is of the view that: (i) the Proposed Transaction is in the interest of the Group and the Shareholders as a whole; (ii) the terms of the Agreement and the Proposed Transaction are fair and reasonable; and (iii) the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, THE SELLER, MIE MAPLE 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 Seller

The Seller is a wholly-owned subsidiary of the Company and holds 40% of all issued share capital of the Target Company as at the date of this announcement. The Target Company is an investment holding company, which holds all issued share capital of Emir-Oil as at the date of this announcement. Emir-Oil is primarily engaged in the production of hydrocarbons in Kazakhstan.

MIE Maple

MIE Maple is a wholly-owned subsidiary of the Company and is primarily engaged in investment holding.

The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands and principally engaged in investment holding. The Purchaser is 100% controlled by Mr. Tsang Ling Kay Rodney, who is an Independent Third Party.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Proposed Transaction as calculated under the Listing Rules exceeds 75%, the Proposed Transaction constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Agreement and the Proposed Transaction, (ii) relevant financial information as required by the Listing Rules, (iii) a competent person's report; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 15 March 2022. As additional time is required by the Company to prepare the information (including without limitation the competent person's report and the financial information) to be included in the circular, it is expected that the circular will be despatched to the Shareholders more than 15 business days after the publication of this announcement. If it is expected that there will be a further delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

WARNING

As completion of the Proposed Transaction is subject to the approval of the Shareholders at the EGM and the satisfaction of certain conditions precedent, the Proposed Transaction may or may not proceed. Therefore, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITION

“2016 SPA”	the share purchase agreement dated 5 March 2016 entered into among the Company, the Target Company and Reach Energy in relation to the disposal of 60% of the issued share capital of the Target Company, further details of which are set out in the Company's announcement dated 7 March 2016
“Agreement”	the sale and purchase agreement dated 20 January 2022 entered into by and among the Company, the Seller, MIE Maple and the Purchaser in relation to the Proposed Transaction
“Board”	the board of Directors
“Company”	MIE Holdings Corporation, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange with stock code 01555
“Competent Body”	the Ministry of Energy of Kazakhstan carrying out on behalf of Kazakhstan the rights, connected to execution and implementation of the subsoil use contracts in the oil and gas sphere, with the competencies for the oil and gas and petrochemicals industries, and transportation of raw hydrocarbons, or its legal successor

“Completion”	completion of the Proposed Transaction in accordance with the terms of the Agreement
“Completion Date”	the fifth business day after the date on which the last of the Conditions (other than (4) and (5) of the Conditions) is fulfilled or, as the case may be, waived in accordance with the terms of the Agreement or such other date as the parties to the Agreement may agree in writing
“Consideration”	the aggregate consideration for the Proposed Transaction
“Contracts”	<p>the contracts comprising:</p> <ol style="list-style-type: none"> (1) the Hydrocarbon Production Contract for the Aksaz field between Kazakhstan and Emir-Oil with Registration Number: 3737-UVS and dated 9 September 2011; (2) the Hydrocarbon Production Contract for Dolinnoe field between Kazakhstan and Emir-Oil with Registration Number 3735-UVS and dated 9 September 2011; (3) the Hydrocarbon Extraction Contract for the Emir Field between Kazakhstan and Emir-Oil with Registration Number 3890-UVS and dated 1 March 2012; (4) the Hydrocarbon Production Contract for Kariman field between Kazakhstan and Emir-Oil with Registration Number: 3736-UVS and dated 9 September 2011; (5) the Hydrocarbon Production Contract for North Kariman field between Kazakhstan and Emir-Oil with Registration Number: 4785-UVS and dated 5 January 2020; (6) the Hydrocarbon Production Contract for Kariman field between Kazakhstan and Emir-Oil with Registration Number: 4784-UVS and dated 5 January 2020; and (7) the Contract on Exploration for Hydrocarbon Raw Materials on the Site of “Aksaz-Dolinnoe-Emir” between Kazakhstan and Emir-Oil with Registration Number: 482 and dated 9 June 2000, and the amendments thereof

“Control”	the power of a person to secure, directly or indirectly, (whether by the holding of shares, possession of voting rights or by virtue of any other power conferred by the articles of association, constitution, partnership deed or other documents regulating another person or otherwise) that the affairs of such other person are conducted in accordance with his or its wishes and “ Controlled ” and “ Controlling ” shall be construed accordingly
“Deferred Consideration”	the outstanding amount to be paid by Reach Energy to the Company as provided in the 2016 SPA
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the Agreement and the transactions contemplated thereunder
“Emir-Oil”	Emir-Oil LLP, a company registered under the laws of Kazakhstan
“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
“IFRS”	International Financial Reporting Standards
“Independent Third Party”	an individual(s) or a company(ies) who or which is(are) independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Kazakhstan”	the Republic of Kazakhstan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the shareholder loans owed to MIE Maple by the Target Company pursuant to the loan agreements between MIE Maple and the Target Company
“Longstop Date”	a date which is six months from the date of the Agreement (or such later date as the parties to the Agreement may agree in writing)
“MIE Entities”	the Company, the Seller and MIE Maple

“MIE Loan”	the outstanding loan advanced by the Purchaser to the Company pursuant to a facility agreement entered into between the Purchaser and the Company on 10 August 2017 in respect of a term loan facility in an amount not exceeding HK\$1,255,000,000, together with all interest accrued thereon as amended and restated from time to time and as further amended and restated on the restructuring effective date pursuant to a restructuring support agreement dated 28 October 2021 between the Purchaser and MIE
“MIE Maple”	MIE Maple Investments Limited, a company organized under the laws of the British Virgin Islands
“percentage ratio”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“Proposed Assignment”	the proposed assignment and transfer to the Purchaser of (i) the Loans and (ii) the rights, title, interest and benefit in the Deferred Consideration and the Remaining Completion Amount pursuant to the Agreement
“Proposed Disposal”	the proposed disposal of the Sale Shares by the Seller to the Purchaser pursuant to the Agreement
“Proposed Transaction”	the Proposed Disposal and the Proposed Assignment
“Purchaser”	Hammer Capital Asia Limited, a company organized under the laws of the British Virgin Islands
“RE Subsidiary”	Reach Energy Ventures Sdn Bhd, a company organized under the laws of Malaysia
“Reach Energy”	Reach Energy Berhad, a company organized under the laws of Malaysia
“Remaining Completion Amount”	the amount to be paid by Reach Energy to the Company as provided in the 2016 SPA
“Sale Shares”	7,200 shares in the Target Company, representing 40% of all issued share capital of the Target Company as at the date of this announcement
“Seller”	Palaeontol Coöperatief U.A., a company organized under the laws of the Netherlands
“Shareholders”	holders of shares in the capital of the Company

“Shareholders’ Agreement”	the shareholders’ agreement dated 11 April 2016 entered into by and among Reach Energy, the Company, RE Subsidiary and the Seller in respect of the management and administration of the Target Company’s affairs and business (as may be from time to time supplemented, revised or otherwise modified)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	means (i) Sale Shares, (ii) the Loans and (iii) the Deferred Consideration and the Remaining Completion Amount
“Target Company”	Palaeontol B.V., a company incorporated under the laws of the Netherlands, which is held as to 40% and 60% respectively by the Seller and RE Subsidiary as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 20 January 2022

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. Feng Chong; 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.

For the purpose of this announcement and for illustration purposes only, amounts denominated in USD have been converted into HK\$ using the exchange rate of USD1.00 = HK\$7.7930. 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.