MIE HOLDINGS CORPORATION
MI能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE

	Year Ended December 31,			
	2023	2022	**Change**	**% Change**
Average realized price of crude oil *(US$ per barrel)*	**78.89**	93.97	(15.08)	(16.0%)
Gross production of crude oil *(barrels)*	**5,241,517**	5,396,516	(154,999)	(2.9%)
Net production of crude oil *(barrels)*	**1,919,409**	2,291,812	(372,403)	(16.2%)
Net sales of crude oil *(barrels)*	**1,860,827**	2,267,263	(406,436)	(17.9%)
Average daily net crude oil production *(barrels)*	**5,259**	6,279	(1,020)	(16.2%)
Wells drilled during the year *(Gross)*	**22**	85	(63)	(74.1%)
Revenue *(RMB'000)*	**1,035,983**	1,431,294	(395,311)	(27.6%)
Profit from operations *(RMB'000)(Note)*	**309,792**	572,082	(262,290)	(45.8%)
(Loss)/profit for the year *(RMB'000)*	**(157,530)**	2,378,790	(2,536,320)	N/A
Basic (loss)/earnings per share *(RMB per share)*	**(0.05)**	0.72	(0.77)	N/A
EBITDA *(RMB'000)*	**677,550**	3,489,816	(2,812,266)	(80.6%)
Adjusted EBITDA *(RMB'000)*	**683,160**	947,361	(264,201)	(27.9%)

Note:

Profit from operations is (loss)/profit before income tax, excluding the net finance costs and gains from the Debt Restructuring Plans.

2024 Guidance

On June 4, 2020, the Group and China National Petroleum Corporation (the "**CNPC**") signed a modification and supplemental agreement of the petroleum development and production contract for Daan Oilfield ("**Supplemental PSC**"). Pursuant to the Supplemental PSC, the Group will continue to operate the Daan Oilfield and shall invest in and drill a minimum of 268 wells within three years after the effective date of the Supplemental PSC. As at December 31, 2022, the Group has completed the drilling of the 268 new wells, several months ahead of the deadline requirement contemplated in the Supplemental PSC. During the 2023, the Group successfully obtained an approval from CNPC to extend the expiry date of the commercial production period of Daan Oilfield from December 31, 2024 to February 29, 2028.

Our 2024 capex and production guidance is set out in the table below.

	Interest *(%)*	**Numbers of Wells**	**Group Capex Investment** *(millions of US$)*	**Net production**
China Project (Daan)	Foreign contractor			
— Crude oil	100%	22	18	4,300–5,300 barrels/day

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2023 RMB'000	2022 RMB'000
Revenue from contracts with customers	*4*	**1,035,983**	1,431,294
Depreciation, depletion and amortization		**(367,758)**	(386,825)
Taxes other than income taxes	*5*	**(48,585)**	(140,422)
Employee benefit expenses		**(94,944)**	(93,086)
Purchases, services and other direct costs		**(216,386)**	(256,529)
Net impairment losses on financial assets		**(348)**	(1,514)
Impairment losses on assets		**–**	(44,260)
Gains from the Debt Restructuring Plans	*6*	**–**	2,530,909
Other gains/(losses), net		**1,830**	63,424
Interest income		**167**	110
Finance costs		**(383,667)**	(596,598)
(Loss)/profit before income tax		**(73,708)**	2,506,503
Income tax expense	*7*	**(83,822)**	(127,713)
(Loss)/profit attributable to owners of the Company for the year		**(157,530)**	2,378,790
Other comprehensive income, net of tax:			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**22,972**	110,717
Items that will not be reclassified to profit or loss:			
Change in fair value of equity investments at fair value through other comprehensive income ("**FVOCI**"), net of tax		**5,197**	(8,487)
Exchange differences arising on translation of presentation currency		**(52,914)**	(233,039)
Other comprehensive income for the year, net of tax		**(24,745)**	(130,809)
Total comprehensive income attributable to the owners of the Company for the year		**(182,275)**	2,247,981
(Loss)/earnings per share for (loss)/profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
— Basic	*8*	**(0.05)**	0.72
— Diluted	*8*	**(0.05)**	0.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
		2023	2022
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,338,914**	1,575,516
Intangible assets		**33,057**	42,459
Right-of-use assets		**7,654**	5,599
Financial assets at FVOCI		**13,539**	8,183
Prepayments, deposits and other receivables		**322**	982
Restricted cash		**123,406**	87,171
Total non-current assets		**1,516,892**	1,719,910
Current assets			
Inventories		**30,439**	16,385
Prepayments, deposits and other receivables		**29,077**	38,594
Trade receivables	*10*	**85,584**	111,876
Restricted cash		**1,429**	9,168
Cash and cash equivalents		**62,905**	120,342
		209,434	296,365
Assets of disposal group classified as held for sale		**–**	415,889
Total current assets		**209,434**	712,254
Total assets		**1,726,326**	2,432,164

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at December 31,	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium		**1,108,175**	1,108,175
Reserves		**(3,010,674)**	(2,828,399)
Total shareholders' deficit		**(1,902,499)**	(1,720,224)
LIABILITIES			
Non-current liabilities			
Borrowings	*12*	**2,550,953**	2,411,520
Lease liabilities		**3,398**	2,078
Deferred income tax liabilities		**175,933**	215,267
Trade payables	*11*	**37,892**	85,824
Provisions, accruals and other payables		**229,429**	189,754
Total non-current liabilities		**2,997,605**	2,904,443
Current liabilities			
Trade payables	*11*	**228,294**	353,548
Provisions, accruals and other payables		**150,284**	161,095
Lease liabilities		**4,564**	4,274
Current income tax liabilities		**36,283**	68,605
Borrowings	*12*	**211,795**	642,711
		631,220	1,230,233
Liabilities of disposal group classified as held for sale		**–**	17,712
Total current liabilities		**631,220**	1,247,945
Total liabilities		**3,628,825**	4,152,388
Total shareholders' deficit and liabilities		**1,726,326**	2,432,164
Net current liabilities		**421,786**	535,691
Total assets less current liabilities		**1,095,106**	1,184,219

NOTES

1. GENERAL INFORMATION

MIE Holdings Corporation (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the exploration, development, production and sale of crude oil in the People's Republic of China (the "**PRC**" or "**China**") under production sharing contracts (the "**PSCs**").

On February 24, 2023, the Group had obtained approval from CNPC to extend the expiry date of the Daan PSC from December 31, 2024 to February 29, 2028.

As at December 31, 2023, the Group is indirectly controlled by Far East Energy Limited ("**FEEL**"), which owns 43.39% of the Company's shares and is also the ultimate holding company of the Group. FEEL is a limited liability company incorporated in Hong Kong and its ultimate beneficial owners are Mr. Zhang Ruilin, Mr. Zhao Jiangwei and Ms. Zhao Jiangbo ("**Mrs. Zhang**", Mr. Zhang Ruilin's spouse). The controlling shareholder of the ultimate holding company is Mr. Zhang Ruilin.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since December 14, 2010.

Unless otherwise stated, the financial statements are presented in Renminbi ("**RMB**"). These financial statements have been approved and authorized for issue by the board of directors of the Company (the "**Board of Directors**") on March 22, 2024.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS ACCOUNTING STANDARDS")

2.1 New or amended standards adopted by the Group from January 1, 2023

The following amendments are effective for annual periods beginning on or after January 1, 2023.

IFRS 17 and related amendments	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The adoption of the amended IFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period.

2.2 New or amended standards not yet effective

There are a number of standards and amendments to standards which have been issued by the International Accounting Standards Board (the "**IASB**") that are effective in future accounting periods that the Group has decided not to adopt early.

The directors of the Company (the "**Directors**") anticipate that the application of other new or amended IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations (hereinafter collectively referred to as the "**IFRS Accounting Standards**") issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values as explained in the accounting policies set out below and assets held for sale that are measured at the lower of carrying amount and fair value less costs to sell.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group.

3.3 Going concern assumption

In recent years, the Group's performance was significantly affected by the high borrowing costs associated with general funding and re-financing activities and the volatility of the price of crude oil. During the year ended December 31, 2023, the Group incurred a loss of RMB157.5 million. As at December 31, 2023, the Group's current liabilities exceeded its current assets by RMB421.8 million and there was a deficit on the shareholders' fund of RMB1,902.5 million. As at the same date, the Group had total borrowings of RMB2,762.7 million and cash and cash equivalents of RMB62.9 million only.

For the purpose of assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the management has prepared a cash flow forecast up to June 30, 2025 ("**Forecast**"). When preparing the Forecast, management has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and has taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

(a) the Group will continue drilling new wells to maintain the production for generating sufficient operating cashflows; and

(b) the Group will continue to seek alternative financing, to the extent that is permitted under the New Finance Documents (as defined in Note 12), to finance the settlement of its existing financing obligations and future operating and capital expenditures.

The Directors have reviewed the Forecast prepared by management and are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations when they fall due within over the forecast period. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

However, there are inherent uncertainties associated with the future outcomes of the above measures and these indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Whether the Group will be able to continue as a going concern will depend upon the following:

(i) the actual crude oil prices throughout the forecast period being in line with the projected levels included in the cashflow projections; and

(ii) the Group's ability to generate operating cash flows and to obtain additional sources of financing, to the extent that is permitted under the New Finance Documents, to finance the Group's oil exploration and production business, including capital expenditures need to drill new wells, as well as other funding needs.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

4. SEGMENT INFORMATION

(a) Description of segment

The chief operating decision-maker (the "**CODM**") has been identified as the executive directors and chief executive of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM considers the business performance of the Group from a geographic perspective. There is only one segment which is principally engaged in exploration, development, production and sale of oil under PSCs in the PRC.

(b) Revenue from contracts with customers

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Entity-wide information		
Analysis of revenue by category		
Timing of revenue recognition		
At a point in time		
— Sale of crude oil and gas	**1,034,885**	1,429,026
Transferred over time		
— Provision of services	**1,098**	2,268
	1,035,983	1,431,294

For the years ended December 31, 2023 and 2022, total revenue from crude oil and gas sales in the PRC are derived solely from PetroChina Company Limited (the "**PetroChina**"). Crude oil and gas sales revenues from PetroChina accounted for 99.9% of the Group's total revenue (2022: 99.8%).

For the contracts from consultation services that have an original expected duration of one year or less, as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(c) Geographical information

All of the Group's revenue is derived in the PRC during the years ended December 31, 2023 and 2022. As at December 31, 2023 and 2022, the non-current assets of the Group, excluding financial assets at FVOCI, are mainly located in the PRC.

5. TAXES OTHER THAN INCOME TAXES

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
PRC:		
Special oil gain levy *(Note)*	**45,171**	135,700
Urban construction tax and education surcharge	**3,370**	4,678
Others	**44**	44
	48,585	140,422

Note: According to the relevant tax rules and regulations, the proceeds from sale of crude oil in the PRC derived by the Group is subject to special oil gain levy when the selling price is above US$65/barrel.

6. GAINS FROM THE DEBT RESTRUCTURING PLANS

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Gains from the Debt Restructuring Plans *(Note)*	**–**	2,530,909

Note:

As mentioned in Note 12, the Group completed the Debt Restructuring Plans on March 30, 2022. The management of the Group considered that the terms of the New Finance Documents are substantially different from those of the Cross-Defaulted Borrowings and the 2022 Senior Notes. Accordingly, such modification of terms was accounted for as an extinguishment of the Cross-Defaulted Borrowings and the 2022 Senior Notes and recognition of new financial liabilities. The new secured borrowings and the 2024 Senior Notes should be measured at fair value as at the date of initial recognition. The differences between the outstanding principals and interests balance of the Cross-Defaulted Borrowings and the 2022 Senior Notes and the fair value of the new secured borrowings and the 2024 Senior Notes were recognized in profit or loss as gains from the Debt Restructuring Plans in 2022.

7. INCOME TAX EXPENSE

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Current income tax	**123,156**	194,869
Deferred income tax	**(39,334)**	(67,156)
	83,822	127,713

Taxation has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Year ended December 31,	
	2023	2022
(Loss)/profit for the year attributable to owners of the Company *(RMB'000)*	**(157,530)**	2,378,790
Weighted average number of ordinary shares in issue *(in thousands)*	**3,386,526**	3,314,655
Adjustment for potential dilutive effect in respect of outstanding share options *(in thousands)*	**–**	75,476
Weighted average number of diluted potential ordinary shares for diluted (loss)/earnings per share *(in thousands)*	**3,386,526**	3,390,131
Basic (loss)/earnings per share *(RMB)*	**(0.05)**	0.72
Diluted (loss)/earnings per share *(RMB)*	**(0.05)**	0.70

The Group incurred a loss for the year ended December 31, 2023. The effect of share options was anti-dilutive and is excluded from the calculation of the diluted loss per share. The diluted loss per share is calculated in the same way with the basic loss per share.

9. DIVIDENDS

The Board of Directors did not recommend the payment of final dividend for the year ended December 31, 2023 and 2022.

10. TRADE RECEIVABLES

	As at December 31, **2023** *RMB'000*	2022 *RMB'000*
Trade receivables from:		
— PSC partner	**85,329**	109,276
— Third parties	**255**	2,600
	85,584	111,876
Less: loss allowance	**–**	–
	85,584	111,876

As at January 1, 2022, the Group's trade receivables from contracts with customers amounted to approximately RMB85.1 million.

The following is an aging analysis of trade receivables net of loss allowance presented based on invoice date which approximate to the respective revenue recognition date at the end of the reporting period.

	As at December 31, **2023** *RMB'000*	2022 *RMB'000*
Within 30 days	**85,584**	109,931
Over 180 days	**–**	1,945
	85,584	111,876

The Group has a policy granting its customers credit periods normally ranging from 30 to 180 days. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. The Group does not hold any collateral as security.

The carrying amount of trade receivables approximates to their fair value.

The Group measures the loss allowance for all trade receivables at an amount equal to lifetime ECLs. No impairment loss on trade receivables is recognized as the ECLs assessed is not material to the financial statements.

Trade receivables under the Daan PSC held by Gobi are pledged as a security for secured borrowings.

11. TRADE PAYABLES

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade payables	**266,186**	439,372
Less: non-current portion	**(37,892)**	(85,824)
Current portion	**228,294**	353,548

The carrying amounts of trade payables approximates to their fair value.

Aging analysis of trade payables based on invoice date is as follows:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**100,686**	227,218
6 months–1 year	**49,745**	113,214
1–2 years	**92,067**	85,455
2–3 years	**18,594**	3,104
Over 3 years	**5,094**	10,381
	266,186	439,372

12. BORROWINGS

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Liability component		
— Secured borrowings	**1,288,454**	1,870,700
— Senior Notes	**1,147,824**	1,008,847
— Interest payable at coupon rates	**299,662**	130,807
	2,735,940	3,010,354
Derivative component		
— Secured borrowings	**23,005**	36,808
— Senior Notes	**3,803**	7,069
	26,808	43,877
Less: current portion	**(211,795)**	(642,711)
Non-current portion	**2,550,953**	2,411,520

On May 11, 2020, upon the expiry of a 30-day grace period, the Group did not pay the interest accrued on the senior notes listed on the Singapore Stock Exchange Securities Trading Limited with a contractual due date on April 12, 2022 (the "**2022 Senior Notes**"), that was originally due on April 12, 2020, which resulted in an event of default by the Group. This event of default also triggered the cross-default of all the secured borrowings of the Group (the "**Cross-Defaulted Borrowings**"). In addition, the Cross-Defaulted Borrowings also subsequently defaulted on a stand-alone basis due to non-repayment at their respective due dates. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes and the Cross-Defaulted Borrowings were classified as current liabilities on the same date.

The Group had actively negotiated with all lenders of the Cross-Defaulted Borrowings (the "**Lenders**") and certain key noteholders of the 2022 Senior Notes to undertake a debt restructuring (the "**Debt Restructuring Plans**") of the Cross-Defaulted Borrowings and the 2022 Senior Notes. The restructuring support agreement was entered into with the Lenders and noteholders of the 2022 Senior Notes (the "**Noteholders**") on October 28, 2021.

The Debt Restructuring Plans became effective on March 30, 2022, after completion of the relevant legal procedures, including the signing of relevant agreements revising the terms of the Cross-Defaulted Borrowings and the 2022 Senior Notes (the "**New Finance Documents**") in accordance with the terms of a restructuring support agreement.

The 2022 Senior Notes was cancelled and the new notes with a contractual due date on December 31, 2024 (the "**2024 Senior Notes**"), extendable to February 29, 2028 upon fulfilment of extension conditions, was issued and listed on the Singapore Exchange Securities Trading Limited on March 31, 2022. The revised terms under the Debt Restructuring Plans are set out below:

- Capitalization of the unpaid accrued interest on the Cross-Defaulted Borrowings and the 2022 Senior Notes as at June 30, 2020, into the respective principal amounts outstanding;

- Waiver of all accrued default interest and the unpaid interest on the Cross-Defaulted Borrowings and the 2022 Senior Notes from July 1, 2020, to the effective date of the Debt Restructuring Plans;

- Interest rates on the new secured borrowings have been revised to either 5% or 11% per annum, depending on the agreement with the respective lender, while the 2024 Senior Notes bear no interest for the remaining term. The interests on the new secured borrowings will start to be paid once the respective principal amounts have been fully repaid;

- Repayments of principal amounts and then interest due, where applicable, on the new secured borrowings and the 2024 Senior Notes are revised to semi-annually. The minimum amounts settled semi-annually depend on the average crude oil price. Other than the minimum amounts, the Group is also required to apply all of its available cash balances as defined in the New Finance Documents towards the repayment of principal and interest at each settlement date (early repayment feature); and

- All principal amounts and interest of the new secured borrowings and the 2024 Senior Notes outstanding as at December 31, 2024 (the "**Repayment Date**") will become due immediately, unless the Group is able to successfully extend the termination date of the Daan PSC with CNPC to February 29, 2028. If the term of the Daan PSC is extended beyond March 1, 2028, the Repayment Date will be further extended to the last day of the extended term of the Daan PSC provided no event of default has occurred and is continuing on February 29, 2028.

On February 24, 2023, the Group had obtained approval from CNPC on the extension of the expiry date of the Daan PSC from December 31, 2024 to February 29, 2028.

13. DISPOSAL OF INVESTMENTS

(a) Disposal of 40% equity interest and certain related receivables in Palaeontol B.V. ("PBV")

The Group disposed of its 40% equity interest and certain related receivables in PBV ("**Disposal Assets Group**") to an independent party, at a consideration of US$55.0 million on October 11, 2023.

The net carrying amount of assets and liabilities related to the Disposal Assets Group at the date of disposal were as follows:

	October 11, 2023 *RMB'000*
Investment in associate	**–**
Amount due from an associate	**991,390**
Less: loss allowance of amount due from an associate	**(596,952)**
Net assets disposed of	**394,438**

The gain arising from the disposal recognized in the consolidated statement of profit or loss and other comprehensive income was calculated as follows:

	October 11, 2023 *RMB'000*
Total consideration	**394,785**
Less: Net assets disposed of	**(394,438)**
Less: Exchange differences	**(7)**
Gain on disposal of 40% equity interest and certain related receivables in PBV	**340**

The consideration of US$55.0 million has been netted off against part of the secured borrowings on a dollar-to-dollar basis in accordance with the Debt Restructuring Plans. No cash inflow/(outflow) arose on the disposal.

(b) Disposal of 10% foreign contractors' interest in the Moliqing PSC

The Group disposed of its 10% foreign contractors' interest in Moliqing PSC to an independent third party, at a consideration of US$5 million on December 21, 2023.

The net assets relating to the 10% of foreign contractors' interest in the Moliqing PSC at the date of disposal were as follows:

	December 21, 2023
	RMB'000
Property, plant and equipment	**88,679**
Intangible assets	**291**
Deferred income tax assets	**24**
Less: loss allowance	**(44,260)**
Other receivables	**13,322**
Asset retirement obligations	**(854)**
Net assets disposed of	**57,202**

The loss arising from the disposal recognized in the consolidated statement of profit or loss and other comprehensive income was calculated as follows:

	December 21, 2023
	RMB'000
Total consideration	**35,506**
Less: Net assets disposed of	**(57,202)**
Less: Related costs	**(1,652)**
Loss on disposal of Moliqing PSC	**(23,348)**

Net cash inflow arising on disposal

	December 21, 2023
	RMB'000
10% deposit received in 2022 recorded under other payables	**3,551**
90% balance received at Completion Date	**31,955**
Total cash consideration	**35,506**

14. SUBSEQUENT EVENTS

Significant events occurred subsequent to the year end and up to the date of approval of these financial statements are set out below:

As disclosed in the announcement dated January 18, 2024, as all the Resumption Guidance have been fulfilled, the trading in the shares of the Company on the Stock Exchange was resumed with effect on January 19, 2024.

BUSINESS REVIEW

Overview

In 2023, the world entered a post-pandemic era, with international geopolitical turmoil such as the Russia Ukraine conflict and the Palestine Israel conflict. The Federal Reserve's interest rate hike led to high interest rate shocks, and Organization of the Petroleum Exporting Countries ("**OPEC**") implemented production reduction measures to stabilize crude oil supply. The global crude oil price has deeply reshaped its sustained high volatility driven by both bullish and bearish factors. At the same time, with the recovery of the world economy and energy security concerns and crude oil demand is steadily increasing. The ongoing geopolitical tension in the world will disturb the market and form a strong bottom support for international oil prices. The group will focus on long-term strategic goals, continuously increase oilfield production capacity construction, adhere to efficiency optimization, strengthen new technology research and application, and continuously build high-quality oil fields with new productivity.

At the same time, the successful completion of the Group's debt restructuring on March 30, 2022 was another positive measure for the Group to further improve its financial position, which greatly improved the Company's operating environment. Pursuant to the Supplemental PSC entered into on June 4, 2020, the Group was required to drill 268 new wells within 3 years after June 2020. As at the end of 2022, all the 268 new wells required to be drilled under the Supplemental PSC were completed, several months ahead of the deadline requirement contemplated in the Supplemental PSC. During the 2023, the Group successfully obtained an approval from CNPC to extend the expiry date of the commercial production period of Daan Oilfield from December 31, 2024 to February 29, 2028.

In 2023, the Group's gross production of oil and gas decreased by 2.6% to about 5.27 million barrels of oil equivalent ("**MMBOE**") compared to 2022. Net production of oil and gas decreased by 16.2% to about 1.92 MMBOE compared to 2022. During 2023, net oil sales volume decreased by 17.9% compared to 2022 to approximately 1.86 million barrels, and net natural gas sales volume increased to 6.75 MMscf.

In 2023, the average realized crude oil price of the Group from the PRC segment decreased by 16.0% to US$78.89 per barrel compared to 2022, and the average realized natural gas price decreased slightly to US$5.79 per Mscf. In 2023, the revenue from the PRC segment decreased by 27.6% to RMB1,036.0 million compared to 2022. In 2023, loss for the year of the Group is RMB157.5 million and the basic loss per share is RMB0.05.

In 2023, EBITDA from the PRC segment decreased by RMB623.7 million to RMB731.6 million from RMB1,355.3 million in 2022 and the adjusted EBITDA decreased by RMB270.1 million to RMB749.5 million.

As at December 31, 2023, the Group operated a total of 2,696 wells and they are all located in China. The total headcount of the Group decreased from 1,016 as at December 31, 2022 to 1,003 as at December 31, 2023.

The following table provides a recap of the Group's key operational metrics for 2023:

	2023	**2022**	**% Change**
Average Daily Gross Production (BOE/day)	**14,428**	14,816	(2.6%)
Average Daily Net Production (BOE/day)	**5,262**	6,280	(16.2%)
Average Daily Net Oil Production (barrels/day)	**5,259**	6,279	(16.2%)
Average Daily Net Gas Production (Mscf/day)	**18.50**	8.45	118.9%

Notes:

(1) For reference purpose only, barrels of oil equivalent ("**BOE**") is calculated using a conversion factor of six Mscf of natural gas being equivalent to one barrel of oil

(2) Gross Production means total production from all assets of the Group

(3) Net Production means entitled production from all assets of the Group

The following table sets out the summary of the expenditures incurred in our exploration, development and production activities for 2023:

(millions of RMB)	**Exploration expenditures**	**Development expenditures**	**Production/ operating expenditures**
China Projects (Daan, Moliqing)	–	135	196

- **China Operations (Daan, Moliqing)**

  In 2023, Daan Oilfield continued to increase the development of water injection and measures to increase production, and at the same time strengthen the vigorous application of new nitrogen technology to achieve the expected effect of water control and oil stabilization, and the annual oil production will continue to stabilize at the level of more than 500,000 tons. On June 4, 2020, the amendment and supplementary agreement of the "Petroleum Development and Production Contract for Daan Oilfield in Jilin Province of the People's Republic of China" was executed in Beijing, marking the successful extension of the Daan PSC term from December 31, 2024 to February 29, 2028.

  During 2023, the total gross oil production for Daan and Moliqing decreased by 2.9% from 5.40 million barrels in 2022 to 5.24 million barrels in 2023. Total net oil production attributable to the Group decreased by 16.2% from 2.29 million barrels in 2022 to 1.92 million barrels in 2023. During 2023, the gross oil production per day decreased by 2.9% to 14,360 barrels/day ("**BOPD**") as compared to 2022, and net oil production per day attributable to the Group decreased by 16.2% to 5,259 BOPD. In 2023, a drilling program of 22 wells was carried out in Daan, all of which are directional wells. The total drilling footage was 45,489 meters and the average drilling footage for a single well was about 2,068 meters. With the continued concussion of the international crude oil prices, the average realized oil price of Daan and Moliqing decreased by 16.0% from US$93.97/barrel in 2022 to US$78.89/barrel in 2023. The Group timely shifted work program to more well optimization and accordingly the lifting cost increased by US$0.12/barrel or 0.9%, from US$13.16/barrel for 2022 to US$13.28/barrel for 2023. Adjusted EBITDA per barrel for Daan and Moliqing decreased by US$9.34, or 13.9%, from US$67.17/barrel for 2022 to US$57.83/barrel for 2023, which was primarily due to the decrease in average realized oil price.

  We held 10% participating interest in the foreign contractors' entitlement and obligations under the Moliqing PSC. On November 18, 2022, the Group entered into a sale and purchase agreement to sell the interest held by the Group in the Moliqing PSC at the consideration of US$5.0 million. The disposition was completed on December 21, 2023. Upon completion, the Group ceased to own any interest in the Moliqing PSC. For further details, please refer to the Company's relevant announcements.

- **Kazakhstan Operations (Emir-Oil)**

  We held an indirect 40% interest in Emir-Oil LLP in Kazakhstan. Emir-Oil LLP holds one exploration contract and six production contracts covering Aksaz, Dolinnoe, Emir, Kariman, North Kariman and Yessen oilfields.

  On January 20, 2022, the Group entered into a sale and purchase agreement to sell the 40% interest in PBV at the consideration of US$55.0 million. On October 11, 2023, the disposal has been completed. For further details, please refer to the Company's relevant announcements and circular.

  As at October 11, 2023, Emir-Oil LLP had a total of 21 producing wells. The daily production of crude oil during the period ended October 11, 2023 increased by 19.0% from 2,116 BOPD during the year ended December 31, 2022 to 2,519 BOPD.

Reserves

Summaries of the Group's 2023 year-end reserves are as follows:

1. The Company entered into a sale and purchase agreement on January 20, 2022, pursuant to which (among other things) the Company has conditionally agreed to sell the 40% interest in PBV with the consideration of US$55.0 million. The disposition was completed on October 11, 2023. Following the completion, the Company ceased to directly or indirectly hold any shares or other interests in PBV and Emir-Oil LLP. For further details, please refer to the Company's announcements and circular.

   The combination of the above disposition and production from the Daan Oilfield in 2023 resulted in a decrease of Group's net Proved ("**1P**") oil reserves for 2023 to 5.03 million barrels, and a decrease of Proved + Probable ("**2P**") net oil reserves to 9.02 million barrels and Proved + Probable + Possible ("**3P**") net oil reserves to 11.75 million barrels.

2. Based on 2023 year-end reserves estimate reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("**NPV10**") is approximately US$292 million.

   The Table 1 below outlines Group's net reserves as at December 31, 2023.

   Table 1 The Group Net Reserves

	2022				2023				Change 2022-2023				
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Total *(Note 1)* (Mboe)	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Total *(Note 1)* (Mboe)	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Total *(Note 1)* (Mboe)	Total % Change
1P: PROVED													
China Oil Property	6,297	–	–	6,297	5,033	–	–	5,033	(1,264)	–	–	(1,264)	-20%
Kazakhstan-Emir-Oil	6,310	480	11,780	8,753	–	–	–	–	(6,310)	(480)	(11,780)	(8,753)	-100%
Total 1P	12,607	480	11,780	15,050	5,033	–	–	5,033	(7,574)	(480)	(11,780)	(10,017)	-67%
2P: PROVED +PROBABLE													
China Oil Property	11,005	–	–	11,005	9,024	–	–	9,024	(1,981)	–	–	(1,981)	-18%
Kazakhstan-Emir-Oil	17,410	1,510	31,740	24,210	–	–	–	–	(17,410)	(1,510)	(31,740)	(24,210)	-100%
Total 2P	28,415	1,510	31,740	35,215	9,024	–	–	9,024	(19,391)	(1,510)	(31,740)	(26,191)	-74%
3P: PROVED +PROBABLE +POSSIBLE													
China Oil Property	14,251	–	–	14,251	11,749	–	–	11,749	(2,502)	–	–	(2,502)	-18%
Kazakhstan-Emir-Oil	27,150	2,490	47,700	37,590	–	–	–	–	(27,150)	(2,490)	(47,700)	(37,590)	-100%
Total 3P	41,401	2,490	47,700	51,841	11,749	–	–	11,749	(29,652)	(2,490)	(47,700)	(40,092)	-77%

   Note 1: 1 BOE = 6,000 SCF

   The price assumptions used to determine 2023 year-end reserves are based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2023 between WTI Cushing Spot and Daqing of US$1.44/Barrel was used. The differential is assumed to remain constant in the future.

FINANCIAL RESULTS

Revenue

The Group's revenue generated from sales of oil and gas products and provision of services.

The Group's revenue generated from sales of oil and gas was entirely contributed by our oil fields located in China. The Group's revenue from sales of oil and gas in 2023 decreased by RMB394.1 million, or 27.6%, from RMB1,429.0 million in 2022 to RMB1,034.9 million, primarily due to lower oil prices and net sales of crude oil. The average realized oil price was US$78.89 per barrel and net sales of crude oil was 1.9 million barrels in 2023, as compared to US$93.97 per barrel and 2.3 million barrels in 2022.

The Group's revenue from rendering of services was RMB1.1 million for 2023 and RMB2.3 million for 2022, respectively.

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization decreased by RMB19.0 million, or 4.9%, from RMB386.8 million in 2022 to RMB367.8 million in 2023. The decrease in depreciation, depletion and amortization was mainly due to: (i) RMB8.4 million of depreciation on assets of Moliqing was recognized in 2022; and (ii) the decrease of net sales in 2023 which was mainly caused by the lower proportion of expense share undertaken by the Group under the PSC, which was furtherly caused by the decrease of investment compared to 2022.

Taxes other than income taxes

The Group's taxes other than income taxes decreased by RMB91.8 million, or 65.4%, from RMB140.4 million for 2022 to RMB48.6 million for 2023. The following table summarizes taxes other than income taxes for the years ended December 31, 2023 and December 31, 2022:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
PRC:		
Special oil gain levy	**45,171**	135,700
Urban construction tax and education surcharge	**3,370**	4,678
Others	**44**	44
	48,585	140,422

PRC

Special oil gain levy

With effect from January 1, 2015, the threshold price for special oil gain levy was revised from US$55 per barrel to US$65 per barrel by the announcement of the Ministry of Finance of the PRC. Special oil gain levy was RMB45.2 million in 2023 and RMB135.7 million in 2022, respectively. The decrease in special oil gain levy was mainly due to lower oil prices and net sales of crude oil.

Employee compensation costs

The Group's employee compensation costs increased by RMB1.8 million, or 1.9%, from RMB93.1 million for 2022 to RMB94.9 million for 2023. The increase in employee compensation costs was primarily due to the impact of exchange rate changes.

Purchases, services and other direct costs

Our purchases, services and other direct costs decreased by RMB40.1 million, or 15.6%, from RMB256.5 million for 2022 to RMB216.4 million for 2023. The decrease was primarily due to: (i) decreases of approximately RMB24.4 million in operating expense and RMB3.2 million in distribution expense due to the lower proportion of expense share undertaken by the Group under the PSC; and (ii) a decrease of approximately RMB11.7 million in general administrative expenses.

Gains from Debt Restructuring Plans

The Group had gains from Debt Restructuring Plans of RMB2,530.9 million for 2022. The gains from Debt Restructuring Plans were mainly due to the differences between the outstanding principals and interests balance of the Cross-Defaulted Borrowings and the 2022 Senior Notes and the fair value of the new secured borrowings and the 2024 Senior Notes. The gains contained accrued default interest and certain ordinary interests waived on the restructuring effective date. No gains from Debt Restructuring Plans was recognized in 2023 upon the completion of debt restructure completed in 2022.

Impairment losses on assets

The Group recognized impairment losses for assets of disposal group classified as held for sale related to the Moliqing Oilfield amounting to RMB44.3 million in 2022 and such disposition was completed in 2023. No impairment losses on assets was recognized in 2023.

Other gains/(losses), net

The Group's other gains/(losses), net decreased by RMB61.6 million, or 97.2%, from RMB63.4 million for 2022 to RMB1.8 million for 2023. The decrease was mainly due to the written-off of withholding tax on interest charged on intercompany loans, which caused a gain of RMB60.1 million in 2022, but nil in 2023.

Finance costs

Finance costs decreased by RMB212.9 million, or 35.7%, from RMB596.6 million for 2022 to RMB383.7 million for 2023. The decrease was mainly due to: (i) a reduction in finance costs of RMB125.1 million caused by the lower interest rate of the debts after the restructuring effective date; (ii) approximately of RMB30.1 million RSA fee related to Debt Restructuring incurred in 2022 but nil in 2023; and (iii) a decrease of RMB61.0 million in the exchange loss in 2023 compared to 2022.

(Loss)/profit before income tax

The Group's loss before income tax was RMB73.7 million for 2023, compared to the profit before income tax of RMB2,506.5 million for 2022, representing a decrease of RMB2,580.2 million. The decrease was primarily due to the gains from the Debt Restructuring Plans of RMB2,530.9 million for 2022. There will be no more gains from Debt Restructuring Plans upon the debt restructure completed in 2022, so it was no longer recognized during the year period ended December 31, 2023.

Income tax expense

The Group recorded an income tax expense of RMB83.8 million for 2023, compared to an income tax expense of RMB127.7 million for 2022.

(Loss)/profit for the year

The Group's net loss in 2023 was RMB157.5 million, compared to the net profit of RMB2,378.8 million in 2022.

EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to (loss)/profit before income tax, our most direct comparable financial performance calculated and presented in accordance with IFRS Accounting Standards. EBITDA refers to earnings before finance income, finance costs, income tax and depreciation, depletion and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash and non-recurring items such as share-based payment to employees, net impairment losses on financial assets, impairment charges, changes in fair value of financial instruments and any other non-cash or non-recurring income/expenses.

The Group's adjusted EBITDA reflects the Group's recurring cash flow earnings from its core operations.

We have included EBITDA and adjusted EBITDA as we believe that EBITDA is a financial measure commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management and by investors, research analysts, bankers and others, to assess our operating performance, cash flow and return on capital as compared to those of other companies in our industry, and our ability to take on financing. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA fail to account for corporate tax, finance income, finance costs and other non-operating cash expenses. EBITDA and adjusted EBITDA do not consider any functional or legal requirements of the business that may require us to conserve and allocate funds for any purposes.

The following table presents a reconciliation between EBITDA and adjusted EBITDA and (loss)/profit before income tax for the years ended December 31, 2023 and 2022:

The Group generated EBITDA of RMB677.6 million in 2023, compared to RMB3,489.8 million in 2022. The decrease in EBITDA in 2023 was primarily due to the Group recognized gains from Debt Restructuring Plans of RMB2,530.9 million for 2022.

The Group's adjusted EBITDA decreased by approximately RMB264.2 million, or 27.9%, from approximately RMB947.4 million in 2022 to approximately RMB683.2 million in 2023. The decrease in adjusted EBITDA was primarily due to the decrease of the sales revenue caused by the lower net sales of crude oil and oil prices.

	Year Ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
(Loss)/profit before income tax	**(73,708)**	2,506,503
Interest income	**(167)**	(110)
Finance costs	**383,667**	596,598
Depreciation, depletion and amortization	**367,758**	386,825
EBITDA	**677,550**	3,489,816
Net impairment losses on financial assets	**348**	1,514
Impairment losses on assets	**–**	44,260
Gains from the Debt Restructuring Plans	**–**	(2,530,909)
Net change in fair value of the derivative components of the 2024 Senior Notes and the new secured borrowings	**(17,746)**	21,363
Gains on disposal of 40% equity interest and certain related receivables in PBV	**(340)**	–
Losses on disposal of 10% foreign contractors' interest in the Moliqing PSC	**23,348**	–
Write-off of unclaimed portion of the 2024 Senior Notes	**–**	(18,561)
Write-off of the withholding tax payables	**–**	(60,122)
Adjusted EBITDA	**683,160**	947,361

	Year Ended December 31, 2023		
	PRC	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Profit/(loss) before income tax	**215,293**	**(289,001)**	**(73,708)**
Interest income	**(166)**	**(1)**	**(167)**
Finance costs	**151,966**	**231,701**	**383,667**
Depreciation, depletion and amortization	**364,539**	**3,219**	**367,758**
EBITDA	**731,632**	**(54,082)**	**677,550**
Net impairment losses on financial assets	**(33)**	**381**	**348**
Net change in fair value of the derivative components of the 2024 Senior Notes and the new secured borrowings	**(5,144)**	**(12,602)**	**(17,746)**
Gains on disposal of 40% equity interest and certain related receivables in PBV	**–**	**(340)**	**(340)**
Losses on disposal of 10% foreign contractors' interest in the Moliqing PSC	**23,034**	**314**	**23,348**
Adjusted EBITDA	**749,489**	**(66,329)**	**683,160**

	Year Ended December 31, 2022		
	PRC	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	734,135	1,772,368	2,506,503
Interest income	(110)	–	(110)
Finance costs	239,216	357,382	596,598
Depreciation, depletion and amortization	382,079	4,746	386,825
EBITDA	1,355,320	2,134,496	3,489,816
Net impairment losses on financial assets	33	1,481	1,514
Impairment losses on assets	44,260	–	44,260
Gains from the Debt Restructuring Plans	(391,597)	(2,139,312)	(2,530,909)
Net change in fair value of the derivative components of the 2024 Senior Notes and the new secured borrowings	11,542	9,821	21,363
Write-off of unclaimed portion of the 2024 Senior Notes	–	(18,561)	(18,561)
Write-off of the withholding tax payables	–	(60,122)	(60,122)
Adjusted EBITDA	1,019,558	(72,197)	947,361

LIQUIDITY AND CAPITAL RESOURCES

The Group's primary source of cash during 2023 was cash generated from operating activities.

In 2023, the Group had net cash of RMB515.0 million generated from operating activities, net cash of RMB298.0 million used in investing activities, net cash of RMB282.3 million used in financing activities, a net decrease in cash and cash equivalents of RMB65.3 million and an exchange gain on cash and cash equivalent of RMB7.9 million.

Borrowings

As at December 31, 2023, the borrowings from financial institutions and third parties amounted to approximately RMB2,762.7 million, representing a decrease of approximately RMB291.5 million as compared to December 31, 2022. Among the Group's borrowings, borrowings repayable within one year amounted to approximately RMB211.8 million, representing a decrease of RMB430.9 million as compared to that of December 31, 2022. All of the Group's borrowings are denominated in US dollars or Hong Kong dollars. The Group's borrowings are all at fixed interest rates. No hedging instruments were used for borrowings.

Our gearing ratio, which is defined as total borrowings less cash and cash equivalents ("**Net Borrowings**") divided by the sum of Net Borrowings and total equity, changed from 241.7% as at December 31, 2022 to 338.6% as at December 31, 2023.

Our total borrowings to adjusted EBITDA ratio, which is defined as total borrowings divided by adjusted EBITDA increased from 3.2 as at December 31, 2022 to 4.0 as at December 31, 2023.

Market Risks

Our market risk exposures primarily consist of fluctuations in oil and gas prices and exchange rates.

Oil and gas price risk

Our realized oil and gas prices are determined with reference to oil and gas prices in the international market, and changes in international oil and gas prices will have a significant impact on us. Unstable and highly volatile international oil and gas prices may have a significant impact on our revenue and profit.

Currency risk

The majority of the Group's China operation sales are in US dollars, while production and other expenses in China are incurred in RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitations on foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates.

The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

CHARGES ON GROUP ASSETS

As at December 31, 2023, all of the Group's interests under the PSCs in China, certain of the bank accounts and shares of certain subsidiaries are pledged to secure the borrowings granted to the Group with the balance of RMB1,611.1 million.

EMPLOYEES

As at December 31, 2023, the Company had 1,003 employees, all based in China (Mainland China and Hong Kong). There are no material changes to the information disclosed in the 2022 Annual Report in respect of the remuneration of employees, remuneration policies and staff development.

CONTINGENCIES

The Board of Directors is not aware of any material contingent liabilities of the Group as at December 31, 2023.

DIVIDEND

The Board of Directors did not recommend the payment of final dividend for the year ended December 31, 2023 and 2022.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company ("**AGM**") is scheduled to be held on Friday, June 14, 2024. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 11, 2024 to Friday, June 14, 2024, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, June 7, 2024, being the last registration date.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the consolidated financial information of the Group for the year ended December 31, 2023 including the accounting policies adopted by the Group and has discussed the internal controls and financial reporting matters of the Group.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below paragraphs set out an extract of the report by BDO Limited, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended December 31, 2023:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.3 in the consolidated financial statements, which indicates that during the year ended December 31, 2023, the Group incurred a net loss of RMB157.5 million. As at December 31, 2023, the Group's current liabilities exceeded its current assets by RMB421.8 million and there was a deficit on the shareholders' funds of RMB1,902.5 million. As at the same date, the Group had total borrowing of RMB2,762.7 million and cash and cash equivalents of RMB62.9 million only. These events and conditions, along with other matters as set forth in Note 3.3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BUY-BACK, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, disposed of or redeemed any of the Company's listed securities for the year ended December 31, 2023.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules on the Stock Exchange throughout the year ended December 31, 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules and applied the same to the Directors and the employees who are likely to be in possession of unpublished inside information of the Company.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended December 31, 2023. In addition, no incident of non-compliance of the Model Code by the employees was noted by the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of this annual results announcement is published on the websites of the Company (www.mienergy.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and Singapore Exchange Securities and Trading Limited (www.sgx.com). An annual report for the year ended December 31, 2023 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to shareholders of the Company and published on the said websites in due course.

AGM

The AGM of the Company will be held in Hong Kong on Friday, June 14, 2024. Notice of the AGM will be published and sent to shareholders of the Company in due course.

By Order of the Board
MIE Holdings Corporation
Mr. Zhao Jiangwei
Executive Director

Hong Kong, March 22, 2024

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhao Jiangwei and Mr. Lam Wai Tong; (2) the non-executive directors namely Mr. Zhang Ruilin, 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.