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MIE HOLDINGS CORPORATION
MI能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

**(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
(2) SUPPLEMENTAL INFORMATION IN RESPECT OF PREVIOUS
OVERSEAS REGULATORY ANNOUNCEMENTS**

On March 20, 2019 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 272,000,000 Subscription Shares at the Subscription Price of approximately HK\$0.10 per Subscription Share. No placing agent was appointed for the Share Subscription.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 272,000,000 Subscription Shares represent (i) approximately 9.26% of the existing issued Shares of the Company as at the date of this announcement; and (ii) approximately 8.47% of the issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate, and therefore the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

The net proceeds will be approximately HK\$27,100,000. The net proceeds are intended to be used for (1) the Exchange Offer (as defined below), if it is completed subject to fulfilment or waiver of the conditions precedent set forth in the Exchange Offer Memorandum (as defined below); or (2) working capital of the Group, if the Exchange Offer is not completed.

INTRODUCTION

On March 20, 2019 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 272,000,000 Subscription Shares at the Subscription Price of approximately HK\$0.10 per Subscription Share. The number of Shares to be subscribed by Subscriber I is 160,000,000 and Subscriber II is 112,000,000.

The SUBSCRIPTION AGREEMENT

Date:

March 20, 2019 (after trading hours)

Parties:

- (i) the Company; and
- (ii) Dingfu International Health Industry Management Limited (being Subscriber I) and Billion Wealth Enterprises Limited (being Subscriber II) as the Subscribers.

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

The Subscription Shares

As at the date of this announcement, the Company has 2,938,596,793 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the 272,000,000 Subscription Shares represent:

- (i) approximately 9.26% of the existing issued Shares of the Company as at the date of this announcement; and
- (ii) approximately 8.47% of the issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price represents:

- (i) a premium of approximately 25.0% to the closing price of HK\$0.080 per Share as quoted on the Stock Exchange on March 20, 2019, being the closing price on the date of the Subscription Agreement; and
- (ii) a premium of approximately 22.0% to the average closing price of approximately HK\$0.082 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

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

Conditions of the Share Subscription

The Share Subscription is conditional upon the fulfilment of the following conditions:

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

In the event that any of the above conditions is not fulfilled on or before March 25, 2019 (or such later date as may be agreed between the parties to the Subscription Agreement), all obligations and liabilities of the parties to the Subscription Agreement shall cease and terminate and neither the Company nor the Subscribers shall have any claim against the other for costs, damages, compensation or otherwise.

Completion of the Share Subscription

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

Ranking of the Subscription Shares

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

Information on the Subscribers

No placing agent has been appointed for the Share Subscription.

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

Application for listing

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

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Up to the date of this announcement, no Share has been issued under the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 587,719,358 Shares. The General Mandate is sufficient for the allotment and issue of all the Subscription Shares. As such, the issue of the Subscription Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to approximately 46.28% upon the allotment and issue of all the Subscription Shares.

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

The Company announced the commencement of its offer to exchange (the “**Exchange Offer**”) any and all of the outstanding 7.50% Senior Notes due 2019 issued by the Company and unconditionally and irrevocably guaranteed by the subsidiary guarantors for the exchange consideration, upon the terms and subject to the conditions set forth in the exchange offer memorandum dated March 1, 2019, as supplemented by the supplemental exchange offer memorandum dated March 1, 2019 (the “**Exchange Offer Memorandum**”). The Company has decided to raise additional funds to (1) finance the Exchange Offer if it is completed subject to fulfilment or waiver of the conditions precedent set forth in the Exchange Offer Memorandum; or (2) provide working capital for the Group to meet its financial obligations if the Exchange Offer is not completed. The Directors are of the view that the Share Subscription represents a good opportunity for the Group to broaden the capital and shareholder base of the Company which may in turn enhance liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Subscription Agreement is entered into upon normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Share Subscription will be approximately HK\$27.2 million. The net proceeds, after deduction of all relevant expenses are expected to be approximately HK\$27.1 million. The net proceeds are intended to be used for (1) the Exchange Offer, if it is completed subject to fulfilment or waiver of the conditions precedent set forth in the Exchange Offer Memorandum; or (2) working capital of the Group, if the Exchange Offer is not completed.

The net Subscription Price will be about HK\$0.10 per Share.

CHANGES IN SHAREHOLDING STRUCTURE

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

Shareholders	As at the date of this announcement		Immediately after the completion of the Share Subscription	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Celestial Energy Limited ⁽¹⁾	88,521,234	3.012%	88,521,234	2.757%
New Sun International Energy Limited ⁽²⁾	530,000,000	18.036%	530,000,000	16.508%
Champion International Energy Limited ⁽²⁾	399,070,000	13.580%	399,070,000	12.430%
Orient International Energy Limited ⁽²⁾	399,070,000	13.580%	399,070,000	12.430%
Power International Energy Limited ⁽²⁾	141,460,000	4.814%	141,460,000	4.406%
Zhang Ruilin ⁽²⁾⁽³⁾	100,000	0.003%	100,000	0.003%
Zhao Jiangwei ⁽²⁾⁽⁴⁾	3,100,000	0.105%	3,100,000	0.097%
Public Shareholders	<u>1,377,275,559</u>	<u>46.868%</u>	<u>1,649,275,559</u>	<u>51.370%</u>
Total	<u>2,938,596,793</u>	<u>100.000%</u>	<u>3,210,596,793</u>	<u>100.000%</u>

Note:

- (1) Celestial Energy Limited is beneficially interested in 88,521,234 Shares. Ho Chi Sing is the sole shareholder of Celestial International Energy Limited. On November 8, 2014, Far East Energy Limited, Zhang Ruilin, Zhao Jiangwei, Zhao Jiangbo and Celestial Energy Limited entered into a put and call option agreement (as amended and supplemented from time to time), pursuant to which the parties have agreed to grant each other certain rights in relation to their shares, and Section 317(1)(a) of the Securities and Futures Ordinance (Cap. 571) applies. In particular, a put option was granted by Far East Energy Limited to Celestial Energy Limited to sell up to 88,521,234 Shares on and subject to the terms and conditions therein.
- (2) Each of New Sun International Energy Limited, Champion International Energy Limited, Orient International Energy Limited and Power International Energy Limited is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is in turn wholly owned by Far East Energy Limited. Far East Energy Limited is owned as to 80% by Zhao Jiangbo, who is the spouse of Zhang Ruilin, 9.99% by Zhang Ruilin and 10% by Zhao Jiangwei. Pursuant to an acting-in concert agreement dated May 24, 2013 entered into by Zhang Ruilin, Zhao Jiangbo and Zhao Jiangwei, they agreed to act in concert in relation to all matters that require the decisions of the shareholders of Far East Energy Limited.
- (3) Zhang Ruilin is an executive Director and holds as beneficial owner 100,000 Shares and 7,887,000 share options.
- (4) Zhao Jiangwei is an executive Director and holds as beneficial owner 3,100,000 Shares and 7,887,000 share options.

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

The Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

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

SUPPLEMENTAL INFORMATION IN RESPECT OF PREVIOUS OVERSEAS REGULATORY ANNOUNCEMENTS

Reference is made to the announcements of the Company dated March 1, 2019 and March 18, 2019 (the “**Announcements**”) in relation to the Exchange Offer upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as defined in the Exchange Offer Memorandum.

Further to the Announcements, the Company would like to further remind any holders of its 7.50% Senior Notes due 2019 of the Offer to Exchange announced on March 1, 2019 and to contact DF King, their broker or the Company if they have not already received the exchange offer materials. The Exchange Offer will expire on March 22, 2019. The Company remains of the view that the Offer to Exchange is in the best interests of note holders.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on May 18, 2018
“Business Day”	a day (excluding a Saturday or Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
“Board”	the board of Directors
“Company”	MIE Holdings Corporation (stock code: 1555), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Share Subscription
“Completion Date”	the actual date of completion of the Share Subscription pursuant to the Subscription Agreement

“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 587,719,358 new Shares may fall to be allotted and issued
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	The listing committee of the Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Subscription”	The subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreement
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Dingfu International Health Industry Management Limited, a company incorporated in Hong Kong with limited liability
“Subscriber II”	Billion Wealth Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscribers”	Subscriber I and Subscriber II, Independent Third Parties who entered into the Subscription Agreement, collectively refer to the Subscribers
“Subscription Agreement”	the subscription agreement dated March 20, 2019 and entered into between the Company and the Subscribers, in relation to the Share Subscription, collectively refer to the Subscription Agreement

“Subscription Price”	HK\$0.10 per Subscription Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Subscription Shares”	an aggregate of 272,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreement
“%”	per cent.

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

Hong Kong, March 20, 2019

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