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, 2024

SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE

	Year Ended December 31,			
	2024	2023(Note)	**Change**	**% Change**
Average realized price of crude oil *(US$ per barrel)*	**79.75**	78.89	0.86	1.1%
Gross production of crude oil *(barrels)*	**3,344,308**	5,241,517	(1,897,209)	(36.2%)
Net production of crude oil *(barrels)*	**1,582,079**	1,919,409	(337,330)	(17.6%)
Net sales of crude oil *(barrels)*	**1,582,776**	1,860,827	(278,051)	(14.9%)
Average daily net crude oil production *(barrels)*	**4,323**	5,259	(936)	(17.8%)
Wells drilled during the year *(Gross)*	**–**	22	(22)	(100.0%)
Revenue *(RMB'000)*	**897,537**	1,035,983	(138,446)	(13.4%)
Profit from operations *(RMB'000)*	**123,954**	309,792	(185,838)	(60.0%)
Loss for the year *(RMB'000)*	**(328,960)**	(157,530)	(171,430)	108.8%
Basic loss per share *(RMB per share)*	**(0.10)**	(0.05)	(0.05)	100.0%
EBITDA *(RMB'000)*	**486,636**	677,550	(190,914)	(28.2%)
Adjusted EBITDA *(RMB'000)*	**556,005**	683,160	(127,155)	(18.6%)

Note:

The 2023 summary consists of the results of the Moliqing Oilfield, including gross crude oil production of 1,509,764 barrels and net production of 84,718 barrels from the Moliqing Oilfield. As the Group disposed of all its interests in the Moliqing Oilfield in December 2023, the relevant results of the Moliqing Oilfield are no longer consolidated from 2024 onwards.

2025 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 new 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 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.

The Group's 2025 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%	–	8	3,500–4,500 barrels/day

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	4	**897,537**	1,035,983
Depreciation, depletion and amortization		**(362,682)**	(367,758)
Taxes other than income taxes	5	**(43,515)**	(48,585)
Employee benefit expenses		**(93,379)**	(94,944)
Purchases, services and other direct costs		**(213,540)**	(216,386)
Net impairment losses on financial assets		**–**	(348)
Provision for impairment losses on assets		**(93,402)**	–
Other gains/(losses), net		**32,935**	1,830
Interest income		**3**	167
Finance costs		**(394,785)**	(383,667)
Loss before income tax		**(270,828)**	(73,708)
Income tax expense	6	**(58,132)**	(83,822)
Loss attributable to owners of the Company for the year		**(328,960)**	(157,530)
Other comprehensive income, net of tax:			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**11,134**	22,972
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		**41**	5,197
Exchange differences arising on translation to presentation currency		**(49,541)**	(52,914)
Other comprehensive income for the year, net of tax		**(38,366)**	(24,745)
Total comprehensive income attributable to the owners of the Company for the year		**(367,326)**	(182,275)
Loss per share attributable to ordinary shareholders of the Company (expressed in RMB per share)			
— Basic	7	**(0.10)**	(0.05)
— Diluted	7	**(0.10)**	(0.05)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
		2024	2023
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**951,943**	1,338,914
Intangible assets		**22,257**	33,057
Right-of-use assets		**4,521**	7,654
Financial assets at FVOCI		**13,782**	13,539
Prepayments, deposits and other receivables		**126**	322
Restricted cash		**176,149**	123,406
Total non-current assets		**1,168,778**	1,516,892
Current assets			
Inventories		**27,533**	30,439
Prepayments, deposits and other receivables		**44,634**	29,077
Trade receivables	*9*	**68,223**	85,584
Restricted cash		**1,142**	1,429
Cash and cash equivalents		**71,883**	62,905
Total current assets		**213,415**	209,434
Total assets		**1,382,193**	1,726,326
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium		**1,108,175**	1,108,175
Reserves		**(3,378,000)**	(3,010,674)
Total shareholders' deficit		**(2,269,825)**	(1,902,499)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at December 31,	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*11*	**2,786,845**	2,550,953
Lease liabilities		**1,961**	3,398
Deferred income tax liabilities		**128,309**	175,933
Trade payables	*10*	**16,617**	37,892
Provisions, accruals and other payables		**282,674**	229,429
Total non-current liabilities		**3,216,406**	2,997,605
Current liabilities			
Trade payables	*10*	**123,105**	228,294
Provisions, accruals and other payables		**133,623**	150,284
Lease liabilities		**2,786**	4,564
Current income tax liabilities		**42,881**	36,283
Borrowings	*11*	**133,217**	211,795
Total current liabilities		**435,612**	631,220
Total liabilities		**3,652,018**	3,628,825
Total shareholders' deficit and liabilities		**1,382,193**	1,726,326
Net current liabilities		**222,197**	421,786
Total assets less current liabilities		**946,581**	1,095,106

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 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, 2024, the Company 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 21, 2025.

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

2.1 New or amended standards adopted by the Group from January 1, 2024

The following amendments are effective for annual periods beginning on or after January 1, 2024.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to International Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Leases Liability in a Sale and Leaseback

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 and International Accounting Standards as issued by the IASB and Interpretations (hereinafter collectively referred to as the "**IFRS Accounting Standards**") 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.

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, 2024, the Group incurred a loss of RMB329.0 million. As at December 31, 2024, the Group's current liabilities exceeded its current assets by RMB222.2 million and there was a deficit on the shareholders' fund of RMB2,269.8 million. As at the same date, the Group had total borrowings of RMB2,920.1 million and cash and cash equivalents of RMB71.9 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, 2026 (the "**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 maintain the production for generating sufficient operating cashflows; and

(b) plan to improve operating efficiency and take step to reduce discretionary expenses and administrative costs and operating costs to improve the Group's liquidity position.

In addition to the above, in a longer run, the Group will continue to seek alternative financing, to the extent that is permitted under the New Finance Documents (as defined in Note 11), 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 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, 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,	
	2024	2023
	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	**897,264**	1,034,885
Transferred over time		
— Provision of services	**273**	1,098
	897,537	1,035,983

For the years ended December 31, 2024 and 2023, 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 (2023: 99.9%).

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, 2024 and 2023. As at December 31, 2024 and 2023, 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,	
	2024	2023
	RMB'000	*RMB'000*
PRC:		
Special oil gain levy *(Note)*	**40,633**	45,171
Urban construction tax and education surcharge	**2,838**	3,370
Others	**44**	44
	43,515	48,585

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. INCOME TAX EXPENSE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**105,756**	123,156
Deferred income tax	**(47,624)**	(39,334)
	58,132	83,822

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.

7. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	Year ended December 31,	
	2024	2023
Loss for the year attributable to owners of the Company *(RMB'000)*	**(328,960)**	(157,530)
Weighted average number of ordinary shares in issue *(in thousands)*	**3,386,526**	3,386,526
Adjustment for potential dilutive effect in respect of outstanding share options *(in thousands)*	**–**	–
Weighted average number of diluted potential ordinary shares for diluted loss per share *(in thousands)*	**3,386,526**	3,386,526
Basic loss per share *(RMB)*	**(0.10)**	(0.05)
Diluted loss per share *(RMB)*	**(0.10)**	(0.05)

The Group incurred a loss for the year ended December 31, 2024. 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.

8. DIVIDENDS

The Board of Directors did not recommend the payment of final dividend for the years ended December 31, 2024 and 2023.

9. TRADE RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables from:		
— PSC partner	**68,223**	85,329
— Third parties	**–**	255
	68,223	85,584
Less: loss allowance	**–**	–
	68,223	85,584

As at January 1, 2023, the Group's trade receivables from contracts with customers amounted to approximately RMB111.9 million.

The following is an aging analysis of trade receivables net of loss allowance based on invoice date at the end of the reporting period.

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**68,223**	85,584

The Group has a policy granting its customers credit periods normally ranging from 1 month to 6 months. 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 the expected credit losses (the "**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.

10. TRADE PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**139,722**	266,186
Less: non-current portion	**(16,617)**	(37,892)
Current portion	**123,105**	228,294

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,	
	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**101,428**	100,686
6 months–1 year	**17,587**	49,745
1–2 years	**7,866**	92,067
2–3 years	**1,241**	18,594
Over 3 years	**11,600**	5,094
	139,722	266,186

11. BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Liability component		
— Secured borrowings	**1,161,875**	1,288,454
— Senior Notes	**1,305,374**	1,147,824
— Interest payable at coupon rates	**449,880**	299,662
	2,917,129	2,735,940
Derivative component		
— Secured borrowings	**1,847**	23,005
— Senior Notes	**1,086**	3,803
	2,933	26,808
Less: current portion	**(133,217)**	(211,795)
Non-current portion	**2,786,845**	2,550,953

The senior notes listed on the Singapore Exchange Securities Trading Limited, with a contractual due date of April 12, 2022 (the "**2022 Senior Notes**") were 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, were 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 all the cross-defaulted secured borrowings of the Group (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 relevant agreements revising the terms of the Cross-Defaulted Borrowings and the 2022 Senior Notes (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 obtained approval from CNPC on the extension of the expiry date of the Daan PSC with CNPC from December 31, 2024 to February 29, 2028.

12. LITIGATIONS

The Group had certain disputes with an electric power supplier for its overcharging on electric supply and other related services amounting to RMB15.8 million, of which RMB12.5 million have been recorded as trade payables in the consolidated statement of financial position at 31 December 2024 and RMB3.3 million was recorded in January 2025. The electricity supplier, as a claimant, filed two separate lawsuits to the PRC Court against the Group with a claimed amount of approximately RMB20.5 million in total. As at the reporting date, the two lawsuits are still in progress.

The management is of view that it was not probable that an outflow of material economic benefits will be required relating to the above two lawsuits.

BUSINESS REVIEW

Overview

In 2024, the global economy remains moderate and stagflationary, with both challenges and opportunities. As the Russia-Ukraine conflict continues, the situation in the Middle East is turbulent, the geopolitical risks continue to intensify, and the game is complex, Organization of the Petroleum Exporting Countries ("**OPEC**") and non-OPEC oil-producing countries (collectively,"**OPEC+**") maintained the policy of reducing production and maintaining prices. Under the combined effect of geopolitical premium and tighter supply, global oil demand has been flat, and international oil prices have risen and fallen. Meanwhile, factors such as the U.S.-led Russia-Ukraine peace talks and the postponement of the Federal Reserve's interest rate cut will continue to put downward pressure on crude oil prices. However, with the extension of the OPEC+ production cut agreement and the unexpected recovery of the global economy, the Chinese government has proposed a number of reform measures to boost the market, which will provide strong bottom support for the crude oil market. The global oil supply and demand pattern will remain basically balanced, and international oil prices will remain relatively high, with weak fluctuations. The rapid development of digital and intelligent technologies , as well as the wide application of new energy technologies, will greatly improve the efficiency of oil and gas exploration and development and reduce production costs. The Group actively responds to various risks and challenges, and continues to promote safety and environmental protection, stable production and efficiency improvement to achieve stable growth in operating efficiency.

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 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.

The Group didn't consolidate any results related to the Moliqing Oilfield in 2024, as it was sold out in 2023. In 2024, the Group's gross production of oil generated from the Daan Oilfield decreased by 10.5% to approximately 3.34 million barrels compared to that of 3.73 million barrels in 2023. The net production of oil from Daan Oilfield decreased by 13.7% to approximately 1.58 million barrels compared to that of 1.83 million barrels in 2023. During 2024, the net oil sales volume of Daan Oilfield decreased by 11.2% to approximately 1.58 million barrels compared to that of 1.78 million barrels in 2023.

In 2024, the average realized crude oil price of the Group from the PRC segment increased by 1.1% to US$79.75 per barrel compared to 2023. The Group's revenue from the PRC segment decreased by 13.4% to RMB897.5 million compared to 2023, which was mainly due to the decrease of net oil production from Daan Oilfield, apart from the impact raised by the disposition of the Moliqing Oilfield. In 2024, the loss for the year of the Group is RMB329.0 million and the basic loss per share is RMB0.10.

In 2024, the Group's EBITDA from the PRC segment decreased by RMB200.5 million to RMB531.1 million from RMB731.6 million in 2023 and the adjusted EBITDA decreased by RMB138.0 million to RMB611.5 million.

The Group timely shifted work program to more well optimization and accordingly the lifting cost increased by US$3.28/barrel or 24.7%, from US$13.28/barrel in 2023 to US$16.56/barrel in 2024. Adjusted EBITDA per barrel decreased by US$2.42, or 4.2%, from US$57.83 in 2023 to US$55.41 in 2024, which was mainly due to the decrease of sales volume of crude oil.

As at December 31, 2024, the Group operated a total of 2,696 wells and they are all located in China. The total headcount of the Group decreased from 1,003 as at December 31, 2023 to 937 as at December 31, 2024.

The following table provides a recap of the Group's Daan Oilfield key operational metrics for 2024:

	2024	**2023**	**% Change**
Average Daily Gross Oil Production (barrels/day)	**9,137**	10,224	(10.6%)
Average Daily Net Oil Production (barrels/day)	**4,323**	5,027	(14.0%)

The following table sets out the summary of the expenditures incurred in our exploration, development and production activities for 2024:

(millions of RMB)	**Exploration expenditures**	**Development expenditures**	**Production/ operating expenditures**
China Projects (Daan)	–	46	200

Reserves

Summaries of the Group's 2024 year-end reserves are as follows:

1. The Group's net Proved ("**1P**") oil reserves for 2024 is 3.56 million barrels, Proved + Probable ("**2P**") net oil reserves is 5.42 million barrels and Proved + Probable + Possible ("**3P**") net oil reserves is 8.02 million barrels.

2. Based on 2024 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$190 million.

   The Table 1 below outlines Group's net reserves as at December 31, 2024.

Table 1 The Group Net Reserves

	2024				2023				Change 2023–2024				
	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	3,563	–	–	3,563	5,033	–	–	5,033	(1,470)	–	–	(1,470)	–29%
Total 1P	3,563	–	–	3,563	5,033	–	–	5,033	(1,470)	–	–	(1,470)	–29%
2P: PROVED +PROBABLE													
China Oil Property	5,417	–	–	5,417	9,024	–	–	9,024	(3,607)	–	–	(3,607)	–40%
Total 2P	5,417	–	–	5,417	9,024	–	–	9,024	(3,607)	–	–	(3,607)	–40%
3P: PROVED +PROBABLE +POSSIBLE													
China Oil Property	8,016	–	–	8,016	11,749	–	–	11,749	(3,733)	–	–	(3,733)	–32%
Total 3P	8,016	–	–	8,016	11,749	–	–	11,749	(3,733)	–	–	(3,733)	–32%

Note 1: 1 BOE = 6,000 SCF

The price assumptions used to determine 2024 year-end reserves are based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2024 between WTI Cushing Spot and Daqing of US$3.71/ 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 2024 decreased by RMB137.6 million, or 13.3%, from RMB1,034.9 million in 2023 to RMB897.3 million, primarily due to the decrease of net sales of crude oil of the Daan Oilfield and the disposition of the Moliqing Oilfield. The average realized oil price was US$79.75 per barrel and net sales of crude oil was 1.6 million barrels in 2024, as compared to US$78.89 per barrel and 1.9 million barrels in 2023.

The Group's revenue generated from rendering of services was RMB0.3 million in 2024 and RMB1.1 million in 2023, respectively.

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization decreased by RMB5.1 million, or 1.4%, from RMB367.8 million in 2023 to RMB362.7 million in 2024. The decrease in depreciation, depletion and amortization was mainly due to the decrease in net production of crude oil.

Taxes other than income taxes

The Group's taxes other than income taxes decreased by RMB5.1 million, or 10.5%, from RMB48.6 million for 2023 to RMB43.5 million for 2024. The following table summarizes taxes other than income taxes for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
PRC:		
Special oil gain levy	**40,633**	45,171
Urban construction tax and education surcharge	**2,838**	3,370
Others	**44**	44
	43,515	48,585

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 RMB40.6 million in 2024 and RMB45.2 million in 2023, respectively. The decrease in special oil gain levy was mainly due to the decrease of net sales of crude oil.

Employee benefit expenses

The Group's employee benefit expenses decreased by RMB1.5 million, or 1.6%, from RMB94.9 million for 2023 to RMB93.4 million for 2024. The decrease in employee benefit expenses was primarily due to the disposition of the Moliqing Oilfield, the relevant employee benefit expenses incurred amounting to RMB1.1 million in 2023.

Purchases, services and other direct costs

Our purchases, services and other direct costs decreased by RMB2.8 million, or 1.3%, from RMB216.4 million for 2023 to RMB213.6 million for 2024. The decrease was primarily due to: (i) a decrease of RMB7.7 million in purchases, services and other direct costs as a result of the disposition of Moliqing Oilfield; (ii) a decrease of RMB7.7 million in general administrative expenses; (iii) a decrease of RMB4.4 million in distribution expenses as a result of the decrease in the net sales of crude oil; and was partially offset by (iv) an increase of RMB16.0 million in operating expenses related to the Daan Oilfield due to the increase in workload of measures.

Provision for impairment losses on assets

Due to the decrease of the recoverable amount with the approaching of the expiration date of the Daan PSC (February 29, 2028), the Group recognized impairment losses on assets in 2024: (i) impairment losses on oil and gas properties amounting to RMB91.2 million; and (ii) impairment losses on mineral interests amounting to RMB2.2 million. The Group did not recognize any impairment losses on assets in 2023.

Other gains/(losses), net

The Group's other gains, net increased by RMB31.1 million, or 1,727.8%, from RMB1.8 million for 2023 to RMB32.9 million for 2024. The increase was mainly due to: (i) the Group recorded a loss of RMB23.0 million on the disposal of the Moliqing Oilfield and 40% equity interest and certain related receivables of Palaeontol B.V. in 2023, but nil in 2024; and (ii) an increase of RMB6.0 million in the net change in fair value of derivative components of the borrowings.

Finance costs

The Group's finance costs increased by RMB11.1 million, or 2.9%, from RMB383.7 million for 2023 to RMB394.8 million for 2024. The increase was mainly due to the amortization amount of loan interest gradually increases as the loan maturity date approaches.

Loss before income tax

The Group's loss before income tax was RMB270.8 million for 2024, compared to the loss before income tax of RMB73.7 million for 2023, representing an increase of RMB197.1 million. The increase was primarily due to a decrease in revenue of RMB138.4 million and the recognition of impairment loss on assets of RMB93.4 million for 2024.

Income tax expense

The Group recorded an income tax expense of RMB58.1 million for 2024, compared to an income tax expense of RMB83.8 million for 2023.

Loss for the year

The Group's net loss in 2024 was RMB329.0 million, compared to the net loss of RMB157.5 million in 2023.

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, 2024 and 2023:

The Group generated EBITDA of RMB486.6 million in 2024, compared to RMB677.6 million in 2023. The decrease in EBITDA in 2024 was primarily due to a decrease in revenue of RMB138.4 million and the recognition of impairment loss on assets of RMB93.4 million for 2024.

The Group's adjusted EBITDA decreased by approximately RMB127.2 million, or 18.6%, from approximately RMB683.2 million in 2023 to approximately RMB556.0 million in 2024. The decrease in adjusted EBITDA was primarily due to the decrease of the sales revenue caused by the decrease of net sales of crude oil.

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(270,828)**	(73,708)
Interest income	**(3)**	(167)
Finance costs	**394,785**	383,667
Depreciation, depletion and amortization	**362,682**	367,758
EBITDA	**486,636**	677,550
Provision for impairment losses on assets	**93,402**	–
Net impairment losses on financial assets	**–**	348
Net change in fair value of the derivative components of the 2024 Senior Notes and the new secured borrowings	**(24,033)**	(17,746)
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
Adjusted EBITDA	**556,005**	683,160

	Year ended December 31, 2024		
	PRC	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Profit/(loss) before income tax	**31,792**	**(302,620)**	**(270,828)**
Interest income	**(2)**	**(1)**	**(3)**
Finance costs	**140,003**	**254,782**	**394,785**
Depreciation, depletion and amortization	**359,303**	**3,379**	**362,682**
EBITDA	**531,096**	**(44,460)**	**486,636**
Provision for impairment losses on assets	**93,402**	**–**	**93,402**
Net change in fair value of the derivative components of the 2024 Senior Notes and the new secured borrowings	**(13,002)**	**(11,031)**	**(24,033)**
Adjusted EBITDA	**611,496**	**(55,491)**	**556,005**

	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

LIQUIDITY AND CAPITAL RESOURCES

The Group's primary source of cash during 2024 was cash generated from operating activities.

In 2024, the Group had net cash of RMB493.7 million generated from operating activities, net cash of RMB255.9 million used in investing activities, net cash of RMB220.5 million used in financing activities, a net increase in cash and cash equivalents of RMB17.3 million and an exchange loss on cash and cash equivalent of RMB8.3 million.

Borrowings

As at December 31, 2024, the borrowings from financial institutions and third parties amounted to approximately RMB2,920.1 million, representing an increase of approximately RMB157.4 million as compared to December 31, 2023. Among the Group's borrowings, borrowings repayable within one year amounted to approximately RMB133.2 million, representing a decrease of RMB78.6 million as compared to that of December 31, 2023. 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 338.6% as at December 31, 2023 to 492.4% as at December 31, 2024.

Our total borrowings to adjusted EBITDA ratio, which is defined as total borrowings divided by adjusted EBITDA increased from 4.0 as at December 31, 2023 to 5.3 as at December 31, 2024.

Market Risks

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

Oil price risk

Our realized oil prices are determined with reference to oil prices in the international market. Unstable and highly volatile international oil 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. As 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, 2024, 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 RMB1,613.6 million.

EMPLOYEES

As at December 31, 2024, the Company had 937 employees, all based in China (Mainland China and Hong Kong). There are no material changes to the information disclosed in the 2023 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, 2024.

DIVIDEND

The Board of Directors did not recommend the payment of final dividend for the year ended December 31, 2024 and 2023.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company ("**AGM**") is scheduled to be held on Friday, June 13, 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 10, 2025 to Friday, June 13, 2025, 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 Monday, June 9, 2025, 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, 2024 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, 2024 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, 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") 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, 2024, the Group incurred a net loss of RMB329.0 million. As at December 31, 2024, the Group's current liabilities exceeded its current assets by RMB222.2 million and there was a deficit on the shareholders' funds of RMB2,269.8 million. As at the same date, the Group had total borrowing of RMB2,920.1 million and cash and cash equivalents of RMB71.9 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, 2024.

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, 2024.

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, 2024. 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 Trading Limited (www.sgx.com). An annual report for the year ended December 31, 2024 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 13, 2025. Notice of the AGM will be published and dispatched to shareholders of the Company in due course.

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

Hong Kong, March 21, 2025

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. Han Ye and Mr. Yan Ruibing; and (3) the independent non-executive Directors namely Mr. Mei Jianping, Mr. Liu Ying Shun, Mr. Yeung Yat Chuen, Ms. Peng Ping and Mr. Ai Min.