MIE HOLDINGS CORPORATION
MI能源控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1555)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2024 ANNUAL REPORT

Reference is made to the annual report of MIE Holdings Corporation (the "**Company**" and its subsidiaries, collectively referred to as the "**Group**") for the year ended December 31, 2024 (the "**2024 Annual Report**") published on April 22, 2024. Capitalised terms used herein shall have the same meanings as those defined in the 2024 Annual Report unless the context requires otherwise.

Further to the information disclosed in the 2024 Annual Report, the Company wishes to provide to the shareholders of the Company and the potential investors with the following supplementary information:

(I) IMPAIRMENT LOSSES ON ASSETS

Reasons leading to impairment of assets

The Group is engaged in the exploration, development, production and sale of crude oil and other petroleum products under the Daan Oilfield located in the PRC, being the single cash generating unit of the Group (the "**CGU**").

The Daan Oilfield is operated under a production sharing contract entered into with China National Petroleum Corporation with the production period expiring on February 29, 2028 (the "**PSC**"). The oil and gas properties and mineral interests are exclusive for the CGU and would not have alternative use after expiry of the PSC.

As disclosed in the 2024 Annual Report, the management of the Company (the "**Management**") has performed an assessment of the CGU and compared the carrying amount and recoverable amount of the CGU.

Valuation methodology

In performing the impairment assessment of the CGU and the Company calculate the value in use (VIU) of the CGU by estimating the present value of the future cash flows expected to be generated from the assets. The Management considered but determined not to select the market approach for valuation because the oil and gas properties and mineral interest are exclusive for the operation under the PSC, with no relevant comparable transactions in the market.

The same evaluation methodology (i.e. income approach using discounted cash flow model) was applied to both the valuation of the CGU for the year ended December 31, 2023 (the "**2023 Valuation**") and FY2024 (the "**2024 Valuation**").

The Management has conducted annual impairment assessments for these assets since the Company's listing in December 2010, and each year's assessment has been reviewed by the auditors of the Company.

Key bases and assumptions under the 2023 Valuation and the 2024 Valuation

As disclosed in the 2024 Annual Report, the key assumptions and input data adopted by the Management include forecast crude oil prices, forecast production volumes, forecast operating costs and discount rates and are reproduced below:

	Assessment performed on December 31	
	2024	**2023**
Period of projection	2025–2028	2024–2028
Crude oil prices (US$/barrel)	71.0–74.0	70.0–77.0
Production volumes for the remaining concession period (Mbbl)	8,889	13,217
Inflation rate (p.a.)	2.18%	2.20%
Exchange rate (US$/RMB)	7.2000	7.0997
Pre-tax discount rate	22.12%	23.17%

Based on the above input, the value in use of the CGU under the 2024 Valuation was approximately RMB969.0 million and impairment losses on assets of approximately RMB93.4 million were recognized, of which approximately RMB91.2 million and RMB2.2 million was allocated to oil and gas properties and mineral interests respectively.

The major bases and assumptions are supplemented as follows:

Period of projection	It is assumed with reference to the expiry date of the PSC on February 29, 2028. As such, under the 2024 Valuation, the forecast period was one year shorter than that under the 2023 Valuation.

Forecast crude oil price	The Group's crude oil price is benchmarked on the Daqing oil price. As such, it is assumed with reference to (i) the forecasted average WTI oil price sourced from Capital IQ, which is a reliable third-party database service provider designed by Standard & Poor's; and (ii) adjusted by the historical differences between WTI oil price and Daqing oil price.
Forecast oil production volume	It is assumed with reference to (i) proved and probable developed producing reserves of the Daan Oilfield; and (ii) the production plan of the Group for the remaining concession period under the PSC. The oil production volume for the remaining concession period is expected to decrease by approximately 32.7% from 13,217 thousand barrels under the 2023 Valuation as compared to 8,889 thousand barrels under the 2024 Valuation, the decrease in production volume is a combined result of 3,551 thousand barrels forecasted in the year of 2024 and updated production forecast with natural decline and no new drillings.
Forecast operating expenses	It is assumed with reference to (i) the historical operating expense of the Group for FY2024; and (ii) the Group's financial budget and business plan. The forecast operating expenses are assumed to grow at an inflation rate of 2.18% per annum, determined with reference to the estimated forecast inflation rate in the PRC.
Pre-tax discount rate	It is assumed with reference to a weighted average cost of capital using the capital asset pricing model with reference to comparable companies which has similar business nature with the Group.

Key changes under the 2023 Valuation and the 2024 Valuation

As set out above, the key changes in bases and assumptions under the 2023 Valuation and the 2024 Valuation were period of projection and the forecast oil production volume which are limited by the concession period under the PSC, causing steeper decline as the PSC expiry approaches. The other major inputs and assumptions remained largely unchanged.

(II) SHARE OPTION SCHEME

There is no service provider sublimit under the 2021 Scheme and as at December 31, 2024, the remaining life of the 2021 Scheme was 6.5 years.

The above additional information does not affect other information contained in the 2024 Annual Report. Save as disclosed above, all other information in the 2024 Annual Report remains unchanged.

By order of the Board of
MIE Holdings Corporation
Zhao Jiangwei
Executive Director

Hong Kong, September 12, 2025

As at the date of this announcement, the Board comprises (1) the executive Directors namely Mr. Zhao Jiangwei and Mr. Wong Yiu Kui; (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.