

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **MIE HOLDINGS CORPORATION**

**MI 能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1555)**

### **CONNECTED TRANSACTION — CONSULTING SERVICES**

Reference is made to the announcement of the Company dated 25 November 2016 in relation to the completion of the Transaction, i.e., the sale of the Company's 60% equity interest in Palaeontol B.V. to Reach Energy Berhad.

The Board announces that on 23 December 2016, the Company issued the Commission Letter to Vault Asia which was agreed and countersigned by Vault Asia on the same date. Pursuant to the Commission Letter, the Company shall pay a commission of US\$800,000 (equivalent to approximately HK\$6,200,000) to Vault Asia in respect of the consulting services that Vault Asia had provided to the Company in relation to the execution and closing of the Transaction.

Vault Asia is wholly-owned by a brother of Mr. Tao, who was an executive Director of the Company in the past 12 months, pursuant to Rules 14A.07 and 14A.12(2) of the Listing Rules, Vault Asia is an associate of Mr. Tao and hence a connected person of the Company. Accordingly, the Commission Letter and the transactions thereunder constitute a connected transaction of the Company under the Listing Rules.

As the amount of the commission exceeds 0.1% but is less than 5% of the applicable percentage ratios, the Commission Letter and the transactions thereunder is subject to the announcement and reporting requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 25 November 2016 in relation to the completion of the Transaction.

The Board announces that on 23 December 2016, the Company issued the Commission Letter to Vault Asia which was agreed and countersigned by Vault Asia on the same date. Major terms of the Commission Letter and details on the relevant arrangements are set out below.

## **COMMISSION LETTER**

Pursuant to the Commission Letter, the Company shall pay a commission of US\$800,000 (equivalent to approximately HK\$6,200,000) to Vault Asia in respect of the consulting services that Vault Asia had provided to the Company in relation to the execution and closing of the Transaction. Such consulting services include assisting in the closing of the Transaction, and in particular in the negotiations of the various amendments to the relevant sale and purchase agreement, the extensions of the long stop date and other related matters.

The commission of US\$800,000 (equivalent to approximately HK\$6,200,000) represents approximately 0.25% of Palaeontol B.V.'s enterprise value, which was determined after arm's length negotiations between the parties having taken into account a number of factors, including the scope of services provided by Vault Asia and the contribution by Vault Asia to the successful completion of the Transaction.

The commission will be paid in one lump sum on or before 31 December 2016 and funded by the internal resources of the Company.

## **INFORMATION OF THE COMPANY AND VAULT ASIA**

The Group is an independent oil and gas group engaged in the exploration and production of oil and gas in China, Kazakhstan and the United States of America. The Group operates the Daan, and Moliqing oilfields in the Songliao under various separate production sharing contracts with PetroChina, the largest oil company in China. The Group also holds 40% interest in an exploration contract and four production contracts that allow the Group to conduct exploration and production activities in the Mangistau province in the southwestern region of Kazakhstan. In addition, the Group pursues other oil and gas exploration, development and production opportunities internationally, both independently and in partnership with other major and independent oil companies.

Vault Asia is principally engaged in the provision of business consulting and investment holding. Based on the confirmation of Vault Asia to the Company, Vault Asia is independent of and not connected with Reach Energy Berhad (the purchaser in the Transaction) and its ultimate beneficial owners.

## **REASONS FOR AND BENEFITS OF THE COMMISSION**

Mr. Tao, as a consultant of Vault Asia, was primarily responsible for providing the consulting services to the Company in relation to the execution and completion of the Transaction. Mr. Tao is a veteran investment banker with extensive corporate finance and accounting experience. Prior to his resignation as an executive Director with effect from 31 May 2016, he was also the chief financial officer and senior vice president of the Company, and in particular, he had been actively involved in the Transaction, taking the lead in the whole negotiating process and finalizing the relevant sale and purchase agreement and other documentation. After Mr. Tao's resignation, Vault Asia started to provide consulting services to the Company in relation to the execution and completion of the Transaction, including the negotiation of the various subsequent amendments to the relevant sale and purchase agreement, the extensions of the long stop date and other related matters, as well as the finalization of the relevant documentation.

The Company is of the view that the consulting services provided by Vault Asia to the Company supported the eventual successful completion of the Transaction. The Directors (including the independent non-executive Directors) consider that the Commission Letter and the transactions thereunder (including the payment of commission) are on normal commercial terms, in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Vault Asia is wholly-owned by a brother of Mr. Tao, who was an executive Director of the Company in the past 12 months. Pursuant to Rules 14A.07 and 14A.12(2) of the Listing Rules, Vault Asia is an associate of Mr. Tao and hence a connected person of the Company. Accordingly, the Commission Letter and the transactions thereunder constitute a connected transaction of the Company under the Listing Rules.

As the amount of the commission payable under the Commission Letter exceeds 0.1% but is less than 5% of the applicable percentage ratios, the Commission Letter and the transactions thereunder is subject to the announcement and reporting requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Commission Letter and the transactions thereunder, therefore none of the Directors was required to abstain from voting on the resolutions passed by the Board in connection therewith.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Commission Letter”	the commission letter issued by the Company to Vault Asia dated 23 December 2016 and countersigned and agreed by Vault Asia on the same date in respect of the consulting services that Vault Asia had provided to the Company in relation to the execution and closing of the Transaction
“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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tao”	Mr. Tao Tak Yin Dexter, who was an executive Director prior to his resignation from his directorship in the Company with effect from 31 May 2016
“Palaeontol B.V.”	Palaeontol B.V., a company incorporated in the Netherlands
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reach Energy Berhad”	Reach Energy Berhad, a company organised and existing under the laws of Malaysia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions under the conditional sale and purchase agreement dated 5 March 2016 in relation to, <i>inter alia</i> , the sale of the Company’s 60% equity interest in Palaeontol B.V. to Reach Energy Berhad and any matters arising out thereof

“US\$”	US dollars, the lawful currency of the United States of America
“Vault Asia”	Vault (Asia) Limited, a company incorporated and existing under the laws of Japan
“%”	per cent

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

Hong Kong, 23 December 2016

*As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Mr. Andrew Sherwood Harper and Mr. Tian Hongtao; (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.*

*For the purposes of this announcement, the following exchange rate is used: US\$1.00= HK\$7.75*