



MIE HOLDINGS CORPORATION

MI能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE

	Six months ended June 30,			
	2025	2024	Change	% Change
Average realized price of crude oil (US\$ per barrel)	69.63	81.31	(11.68)	(14.4%)
Gross production of crude oil (barrels)	1,522,118	1,698,093	(175,975)	(10.4%)
Net production of crude oil (barrels)	729,939	797,321	(67,382)	(8.5%)
Net sales of crude oil (barrels)	731,238	798,902	(67,664)	(8.5%)
Average daily net crude oil production (barrels)	4,033	4,381	(348)	(7.9%)
Wells drilled during the period (Gross)	–	–	–	N/A
Revenue (RMB'000)	365,702	461,288	(95,586)	(20.7%)
Profit from operations (RMB'000) (Note)	55,171	113,611	(58,440)	(51.4%)
Loss for the period (RMB'000)	(148,019)	(110,090)	(37,929)	34.5%
Basic loss per share (RMB per share)	(0.04)	(0.03)	(0.01)	33.3%
EBITDA (RMB'000)	214,001	286,652	(72,651)	(25.3%)
Adjusted EBITDA (RMB'000)	213,183	281,215	(68,032)	(24.2%)

Note:

Profit from operations is profit before income tax, excluding the net finance costs.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue from contracts with customers	4	<u>365,702</u>	<u>461,288</u>
Depreciation, depletion and amortization		(158,830)	(173,041)
Taxes other than income taxes	5	(7,158)	(24,949)
Employee benefit expenses		(46,337)	(46,177)
Purchases, services and other direct costs		(100,640)	(110,811)
Other gains/(losses), net		2,434	7,301
Interest income		17	85
Finance costs		<u>(184,520)</u>	<u>(193,884)</u>
Loss before income tax		(129,332)	(80,188)
Income tax expense	6	<u>(18,687)</u>	<u>(29,902)</u>
Loss attributable to owners of the Company for the period		<u>(148,019)</u>	<u>(110,090)</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Six months ended June 30,	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income, net of tax:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		6,118	(8,438)
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation of presentation currency		<u>5,727</u>	<u>(6,427)</u>
Other comprehensive income for the period, net of tax		<u>11,845</u>	<u>(14,865)</u>
Total comprehensive income attributable to the owners of the Company for the period		<u>(136,174)</u>	<u>(124,955)</u>
Loss per share for loss attributable to ordinary shareholders of the Company (expressed in RMB per share)			
— Basic	7	<u>(0.04)</u>	<u>(0.03)</u>
— Diluted	7	<u>(0.04)</u>	<u>(0.03)</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at June 30, 2025	As at December 31, 2024
	<i>Note</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		823,109	951,943
Intangible assets		18,668	22,257
Right-of-use assets		8,893	4,521
Financial assets at fair value through other comprehensive income (“FVOCI”)		13,725	13,782
Prepayments, deposits and other receivables		25	126
Restricted cash		214,038	176,149
Total non-current assets		1,078,458	1,168,778
Current assets			
Inventories		29,320	27,533
Prepayments, deposits and other receivables		49,476	44,634
Trade receivables	9	55,640	68,223
Restricted cash		1,370	1,142
Cash and cash equivalents		51,862	71,883
Total current assets		187,668	213,415
Total assets		1,266,126	1,382,193
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium		1,108,175	1,108,175
Reserves		(3,514,174)	(3,378,000)
Total shareholders’ deficit		(2,405,999)	(2,269,825)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at June 30, 2025	As at December 31, 2024
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	11	2,850,384	2,786,845
Lease liabilities		4,631	1,961
Deferred income tax liabilities		109,877	128,309
Trade payables	10	623	16,617
Provisions, accruals and other payables		315,400	282,674
Total non-current liabilities		3,280,915	3,216,406
Current liabilities			
Trade payables	10	78,535	123,105
Provisions, accruals and other payables		117,281	133,623
Lease liabilities		4,477	2,786
Current income tax liabilities		38,924	42,881
Borrowings	11	151,993	133,217
Total current liabilities		391,210	435,612
Total liabilities		3,672,125	3,652,018
Total shareholders' deficit and liabilities		1,266,126	1,382,193
Net current liabilities		203,542	222,197
Total assets less current liabilities		874,916	946,581

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

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**”) under the production sharing contracts (the “**PSC**”).

On February 24, 2023, the Group obtained approval from China National Petroleum Corporation (the “**CNPC**”) to extend the expiry date of the Daan PSC from December 31, 2024 to February 29, 2028.

As at June 30, 2025, 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 condensed interim consolidated financial information is presented in Renminbi (“**RMB**”). The condensed interim consolidated financial information has been approved and authorized for issue by the board of directors of the Company (the “**Board**” or “**Board of Directors**”) on August 13, 2025.

This condensed interim consolidated financial information has been reviewed by the Audit Committee of the Company but has not been reviewed or audited by the Company’s auditor.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRS ACCOUNTING STANDARDS**”)

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but do not have an impact on the condensed interim consolidated financial information of the Group.

Amendments to IAS 21

Lack of Exchangeability

3. BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standards (“**IASs**”) 34 “Interim Financial Reporting”.

The condensed interim consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended December 31, 2024 and any public announcements made by the Company during the interim reporting period.

3.1 Statement of compliance

This condensed interim consolidated financial information for the six months ended June 30, 2025 has 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 condensed interim consolidated financial information also complies 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 condensed interim consolidated financial information has 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 interim consolidated financial information 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 period of six months ended June 30, 2025, the Group incurred a loss of RMB148.0 million. As at June 30, 2025, the Group’s current liabilities exceeded its current assets by RMB203.5 million and there was a deficit on the shareholders’ fund of RMB2,406.0 million. As at the same date, the Group had total borrowings of RMB3,002.4 million and cash and cash equivalents of RMB51.9 million only.

For the purpose of assessing the appropriateness of the use of the going concern basis for the preparation of the interim consolidated financial information, the management has prepared a cash flow forecast up to December 31, 2026 (“**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 of the Company (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 condensed interim consolidated financial information 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 condensed interim consolidated financial information.

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 the PSC in the PRC.

(b) Revenue from contracts with customers

	Six months ended June 30,	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
<u>Entity-wide information</u>		
<u>Analysis of revenue by category</u>		
Timing of revenue recognition		
At a point in time		
— Sale of crude oil	365,702	461,231
Transferred over time		
— Provision of services	—	57
	<u>365,702</u>	<u>461,288</u>

For the period of six months ended June 30, 2025 and 2024, total revenue from crude oil sales in the PRC are derived solely from PetroChina Company Limited (the “**PetroChina**”). Crude oil sales revenues from PetroChina accounted for 100% of the Group’s total revenue (For the period of six months ended June 30, 2024: 99.99%).

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 period of six months ended June 30, 2025 and 2024. As at June 30, 2025 and 2024, the non-current assets of the Group, excluding financial assets at FVOCI, are mainly located in the PRC.

5. TAXES OTHER THAN INCOME TAXES

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Special oil gain levy (<i>Note</i>)	5,976	23,469
Urban construction tax and education surcharge	1,160	1,458
Others	22	22
	<u>7,158</u>	<u>24,949</u>

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	37,117	51,906
Deferred income tax	(18,430)	(22,004)
	<u>18,687</u>	<u>29,902</u>

Taxation has been calculated on the estimated assessable profit for the period 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:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company <i>(RMB'000)</i>	<u>(148,019)</u>	<u>(110,090)</u>
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	3,386,526	3,386,526
Adjustment for potential dilutive effect in respect of outstanding share options <i>(in thousands)</i>	<u>—</u>	<u>—</u>
Weighted average number of diluted potential ordinary shares for diluted loss per share <i>(in thousands)</i>	<u>3,386,526</u>	<u>3,386,526</u>
Basic loss per share <i>(RMB)</i>	<u>(0.04)</u>	<u>(0.03)</u>
Diluted loss per share <i>(RMB)</i>	<u>(0.04)</u>	<u>(0.03)</u>

The Group incurred a loss for the period of six months ended June 30, 2025. 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 interim dividend for the period of six months ended June 30, 2025 (Six months ended June 30, 2024: Nil)

9. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Within 1 month	<u>55,640</u>	<u>68,223</u>

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 ECLs (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

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

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Within 6 months	65,961	101,428
6 months–1 year	944	17,587
1–2 years	133	7,866
2–3 years	1,553	1,241
Over 3 years	<u>10,567</u>	<u>11,600</u>
	<u>79,158</u>	<u>139,722</u>

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

11. BORROWINGS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<u>Liability component</u>		
— Secured borrowings	1,107,122	1,161,875
— Senior Notes	1,376,715	1,305,374
— Interest payable at coupon rates	516,436	449,880
	<u>3,000,273</u>	<u>2,917,129</u>
<u>Derivative component</u>		
— Secured borrowings	1,324	1,847
— Senior Notes	780	1,086
	<u>2,104</u>	<u>2,933</u>
Less: current portion	<u>(151,993)</u>	<u>(133,217)</u>
Non-current portion	<u><u>2,850,384</u></u>	<u><u>2,786,845</u></u>

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 regarding its overcharging for electricity supply and other related services. The electric power supplier, as a claimant, filed two separate legal proceedings in the PRC Court against the Group, with a total claimed amount of approximately RMB20.5 million as amended in February 2025. The Group has recorded adequate amounts for the transactions incurred during the period of six months ended June 30, 2025 and made payments for the outstanding balance based on market price. As at June 30, 2025, RMB14.1 million was recorded as trade payables in the interim consolidated statement of financial position. As at the date of this announcement, the two lawsuits remain ongoing and have not yet been resolved.

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 AND PROSPECTS

In the first half of 2025, the world economy maintained moderate growth, the international crude oil market was loose, and crude oil prices fell year-on-year. The reciprocal tariff trade war promoted by the United States, coupled with Organization of the Petroleum Exporting Countries (“OPEC”) and non-OPEC oil-producing countries (collectively, “OPEC+”) production increase, is the main reason for the decline in crude oil market prices. During this period, the Russia-Ukraine issue and the Israeli-Iranian conflict caused short-term crude oil prices to rise, but the magnitude was limited. Crude oil prices are facing the double negative of macro trade disputes and OPEC+ production increases, and the overall trend is weak. The Group actively responded to the complex macroeconomic situation, coordinated the promotion of production and operation, quality and efficiency improvement, green and low-carbon work, promoted the construction of crude oil production capacity in an orderly manner, and continued to consolidate its cost advantages.

Our project in the PRC maintained a relatively stable production for the six months ended June 30, 2025. As at June 30, 2025, the Group held a 100% foreign contractors’ interest in Daan PSC in the PRC. The Group’s total gross production of crude oil for the six months ended June 30, 2025 decreased by 10.4% from approximately 1.70 million barrels for the six months ended June 30, 2024 to approximately 1.52 million barrels. Total net production of crude oil allocated to the Group decreased by 8.5% from approximately 0.80 million barrels for the six months ended June 30, 2024 to approximately 0.73 million barrels. The Group’s daily gross production of crude oil for the six months ended June 30, 2025 decreased by 9.9% to 8,409 barrels per day (“BOPD”), and the daily net production of crude oil allocated to the Group decreased by 7.9% to 4,033 BOPD as compared to the six months ended June 30, 2024. The decrease in the net production of crude oil was mainly driven by the decrease in the gross production. The average realized oil price of the Group decreased by 14.4% from US\$81.31 per barrel for the six months ended June 30, 2024 to US\$69.63 per barrel for the six months ended June 30, 2025. During the six months ended June 30, 2025, the lifting costs for Daan Oilfield increased by US\$0.13/barrel, or 0.8%, from US\$17.21/barrel for the six months ended June 30, 2024 to US\$17.34/barrel. The Group didn’t drill any new well in the Daan Oilfield in the first half of 2025.

The revenue of the Group, which was derived entirely from the PRC, decreased by 20.7% to RMB365.7 million compared to the same period last year. During the six months ended June 30, 2025, net loss for the period was RMB148.0 million, as compared to a net loss of RMB110.1 million for the six months ended June 30, 2024, the net loss increased by RMB37.9 million and the basic losses per share was RMB0.04 for the six months ended June 30, 2025.

The EBITDA of the Group for the six months ended June 30, 2025 decreased by RMB72.7 million to RMB214.0 million from RMB286.7 million for the six months ended June 30, 2024 and the adjusted EBITDA decreased by RMB68.0 million to RMB213.2 million.

The following table sets out a summary of expenditures incurred in our exploration, development, and production activities for the six months ended June 30, 2025:

(RMB millions)	Exploration expenditures	Development expenditures	Production/ operating expenditures
China Project (Daan)	<u>–</u>	<u>27</u>	<u>96</u>

The Group incurred development expenditures of RMB27 million and production expenditures of RMB96 million in the PRC during the six months ended June 30, 2025.

In accordance with the supplemental agreement to the PSC relating to the Daan Oilfield (“**Supplemental PSC**”) signed between the Group and CNPC on June 4, 2020, the Group shall invest in and drill a minimum of 268 wells within three years after the effective date of the Supplemental PSC. By the end of 2022, the Group’s 268 new drilling wells have all been completed. On February 24, 2023, CNPC approval confirmed that the extension of the operating period of Daan PSC to February 29, 2028 became effective.

OUTLOOK FOR 2025

Looking forward to the second half of 2025, despite the neutral and bearish fundamentals, the geopolitical situation is still uncertain, the Sino-US trade negotiations have made phased progress, risk appetite has rebounded, the market focus will return to supply and demand, and international crude oil prices are expected to be under pressure amid shocks. In the face of the uncertainty of the external environment, the Group will continue to promote digital and intelligent management, empower oilfield development through technological innovation, and provide solid support for the Group's high-quality and sustainable development.

REVIEW OF FINANCIAL RESULTS

Revenue

The Group's revenue is generated from sales of oil product and provision of services.

The Group's revenue generated from sales of oil product was contributed entirely by our oilfield in the PRC, which decreased by RMB95.5 million, or 20.7%, from RMB461.2 million for the six months ended June 30, 2024 to RMB365.7 million for the six months ended June 30, 2025. Net crude oil sales volume decreased by 70 thousand barrels, or 8.5%, from 0.80 million barrels for the six months ended June 30, 2024 to 0.73 million barrels for the six months ended June 30, 2025. The average realized crude oil price of the Group decreased by US\$11.68 per barrel, or 14.4% to US\$69.63 per barrel during the six months ended June 30, 2025 from US\$81.31 per barrel for the six months ended June 30, 2024. The decrease of the Group's revenue was primarily due to the decrease in oil prices and net sales volume of crude oil.

The Group's revenue generated from rendering of services was RMB0.1 million for the six months ended June 30, 2024 and nil for the six months ended June 30, 2025.

Operating expenses

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization decreased by RMB14.2 million, or 8.2%, from RMB173.0 million for the six months ended June 30, 2024 to RMB158.8 million for the six months ended June 30, 2025. The decrease in depreciation, depletion and amortization was mainly due to the decrease in net crude oil production.

Taxes other than income taxes

The Group's taxes other than income taxes decreased by RMB17.7 million, or 71.1%, from RMB24.9 million for the six months ended June 30, 2024 to RMB7.2 million for the six months ended June 30, 2025. The following table summarizes the Group's taxes other than income taxes for the six months ended June 30, 2025 and 2024, respectively:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Special oil gain levy	5,976	23,469
Urban construction tax and education surcharge	1,160	1,458
Others	22	22
	7,158	24,949

With effect from January 1, 2015, the threshold price for the special oil gain levy was revised from US\$55 per barrel to US\$65 per barrel. Special oil gain levy of RMB6.0 million was incurred due to the crude oil price having exceeded US\$65 per barrel for the six months ended June 30, 2025. During the six months ended June 30, 2024, the special oil gain levy was RMB23.5 million.

Employee benefit expenses

The Group's employee benefit expenses increased by RMB0.1 million, or 0.2%, from RMB46.2 million for the six months ended June 30, 2024 to RMB46.3 million for the six months ended June 30, 2025. There has generally been no change for the employee compensation costs for same period during the two years.

Purchases, services and other direct costs

The Group's purchases, services and other direct costs decreased by RMB10.2 million, or 9.2%, from RMB110.8 million for the six months ended June 30, 2024 to RMB100.6 million for the six months ended June 30, 2025. The decrease was primarily due to:(i) operating expenses decreased approximately RMB8.0 million, which was mainly caused by the reduction of optimization measures on old wells in Daan Oilfield as a result of the decrease in oil prices; and (ii) a decrease of approximately RMB1.8 million in administrative expenses which was mainly caused by the implementation of strict budget management and cost control by the Group.

Other gains/(losses), net

The Group recorded net other gains of RMB2.4 million for the six months ended June 30, 2025, compared to net other gains of RMB7.3 million for the six months ended June 30, 2024. The decrease in net other gains was mainly due to the gain on net changes in fair value of the derivative components of the borrowings decreased by RMB4.6 million.

Finance costs

The Group's finance costs decreased by RMB9.3 million, or 4.8%, from RMB193.8 million for the six months ended June 30, 2024 to RMB184.5 million for the six months ended June 30, 2025. The decrease in finance costs was primarily due to the impact of exchange rate changes. All interest expenses are recorded on an accrual basis and no payment is required until the relevant principal has been paid off. Taking out the impact of the accrued interest expenses, there is a net profit amounting to RMB27.4 million during the six months ended June 30, 2025.

Loss before income tax

The Group's loss before income tax was RMB129.3 million for the six months ended June 30, 2025, compared to a loss before income tax of RMB80.2 million for the six months ended June 30, 2024, representing an increase of RMB49.1 million. The increase was primarily due to the decrease of approximately RMB95.5 million in revenue as a result of the decrease in oil prices and net sales volume of crude oil, which was partially offset by decreases of approximately RMB 37.1 million and RMB9.3 million in operating expenses and finance costs, respectively.

Income tax expense

The Group recorded income tax expense of RMB18.7 million for the six months ended June 30, 2025, compared to income tax expense of RMB29.9 million for the six months ended June 30, 2024, representing a decrease of RMB11.2 million, or 37.5%.

Loss for the period

The Group's loss for the six months ended June 30, 2025 was RMB148.0 million, compared to the loss of RMB110.1 million for the six months ended June 30, 2024, representing an increase of RMB37.9 million. This increase was primarily due to the cumulative effects of the factors mentioned above in this announcement.

EBITDA AND ADJUSTED EBITDA

We have provided a reconciliation of EBITDA and adjusted EBITDA to profit/(loss) before income tax, with our most directly comparable financial performance calculated and presented in accordance with IFRS Accounting Standards. EBITDA refers to earnings before income tax, interest income, finance costs 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.

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 tax, interest 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 of EBITDA and adjusted EBITDA to loss before income tax for each period indicated.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss before income tax	(129,332)	(80,188)
Interest income	(17)	(85)
Finance costs	184,520	193,884
Depreciation,depletion and amortization	158,830	173,041
EBITDA	214,001	286,652
Net change in fair value of the derivative component of the new secured borrowings and the 2024 Senior Notes	(818)	(5,437)
Adjusted EBITDA	213,183	281,215

The Group's EBITDA decreased by approximately RMB72.7 million, or 25.3%, from approximately RMB286.7 million for the six months ended June 30, 2024 to approximately RMB214.0 million for the six months ended June 30, 2025. The decrease was mainly due to the decrease of approximately RMB95.5 million in revenue as a result of the decreases in oil prices and net sales volume of crude oil.

The Group's adjusted EBITDA decreased by approximately RMB68.0 million, or 24.2%, from approximately RMB281.2 million for the six months ended June 30, 2024 to approximately RMB213.2 million for the six months ended June 30, 2025. The decrease was mainly due to the decrease of approximately RMB95.5 million in revenue as a result of the decreases in oil prices and net sales volume of crude oil.

The Group's EBITDA and adjusted EBITDA by operating segment for the six months ended June 30, 2025 and 2024 are set out below:

	Six months ended June 30, 2025		
	PRC	Others	Total
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Profit/(loss) before income tax	21,674	(151,006)	(129,332)
Interest income	(17)	–	(17)
Finance costs	62,951	121,569	184,520
Depreciation,depletion and amortization	157,172	1,658	158,830
EBITDA	241,780	(27,779)	214,001
Net change in fair value of the derivative component of the new secured borrowings and the 2024 Senior Notes	215	(1,033)	(818)
Adjusted EBITDA	241,995	(28,812)	213,183
Six months ended June 30, 2024			
	PRC	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) before income tax	71,287	(151,475)	(80,188)
Interest income	(85)	–	(85)
Finance costs	71,634	122,250	193,884
Depreciation,depletion and amortization	171,346	1,695	173,041
EBITDA	314,182	(27,530)	286,652
Net change in fair value of the derivative component of the new secured borrowings and the 2024 Senior Notes	(2,573)	(2,864)	(5,437)
Adjusted EBITDA	311,609	(30,394)	281,215

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary source of cash during the six months ended June 30, 2025 was cash generated from operating activities. Majority of the Group's cash and cash equivalent as at June 30, 2025 were denominated in RMB, United States Dollars and Hong Kong Dollars.

During the six months ended June 30, 2025, the Group had net cash generated from operating activities of RMB165.1 million, net cash used in investing activities of RMB110.4 million and net cash used in financing activities of RMB74.5 million, a translation loss for foreign currency exchange of RMB0.2 million, resulting in a decrease in cash and cash equivalents of RMB20.0 million compared to the cash balance of RMB71.9 million as at December 31, 2024.

Borrowings

As at June 30, 2025, the Group's borrowings amounting to approximately RMB3,002.4 million, representing an increase of approximately RMB82.3 million as compared to December 31, 2024. Among the Group's borrowings, borrowings repayable within one year amounted to approximately RMB152.0 million, representing an increase of RMB18.8 million as compared to that of December 31, 2024. All of the Group's borrowings are denominated in United States Dollars and Hong Kong Dollars. The Group's borrowings are all at fixed interest rates. No hedging instruments are used for bank 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, is 492.4% as at December 31, 2024 and 541.9% as at June 30, 2025, respectively.

Our total borrowings to adjusted EBITDA ratio, which is defined as total borrowings divided by adjusted EBITDA increased from 5.3 as at December 31, 2024 to 7.0 as at June 30, 2025.

Market risk

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, as changes in international oil prices will have a significant impact on us. 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 operation sales revenue in the PRC is in US dollars, while production and other expenses in the PRC 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 June 30, 2025, all of the Group's interest under the PSC in the PRC, certain of the bank accounts and shares of certain subsidiaries are pledged to secure the borrowings granted to the Group with the balance of RMB1,624.9 million.

EMPLOYEES

As at June 30, 2025, the Company had 920 employees, all based in the PRC (Mainland China and Hong Kong). There have been no material changes to the information disclosed in the annual report of the Company for the year ended 31 December, 2024 in respect of the remuneration of employees, remuneration policies and staff development.

CONTINGENCIES

The Board of Directors of the Company is not aware of any material contingent liabilities of the Group as at June 30, 2025.

DIVIDEND

The Board has resolved that no interim dividend will be paid for the six months ended June 30, 2025 (Six months ended June 30, 2024: Nil).

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters, including reviewing the unaudited interim results.

The Audit Committee has adopted the terms of reference which are in line with the Corporate Governance Code (the “**CG Code**”) as contained in Part 2 of Appendix C1 to the Listing Rules on the Stock Exchange. The terms of reference were revised on August 24, 2016 and have been made available on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended June 30, 2025.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions as set out in the CG Code as contained in Part 2 of Appendix C1 to the Listing Rules throughout the period from January 1, 2025 to June 30, 2025.

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 all the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended June 30, 2025. In addition, no incident of non-compliance of the Model Code by the employees was noted by the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The electronic version of this interim results announcement is published on the websites of the Company (www.mienergy.com.cn), Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and Singapore Exchange Securities and Trading Limited (www.sgx.com).

An interim report for the six months ended June 30, 2025 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.

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

Hong Kong, August 13, 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.