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延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

POSITIVE PROFIT ALERT

This announcement is made by Yanchang Petroleum International Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company would like to inform the shareholders of the Company and potential investors that based on the unaudited management accounts of the Group currently available, the Group is expected to record a profit of around HK\$ 358 million for the year ended 31 December 2021, as compared to a loss of around HK\$ 793 million for the previous year.

Taking benefit of the global economy recovery from the COVID-19 pandemic and the sharp rebound of the oil prices resulting from strong oil demand coupled with the supply shortage, the Group achieved to turnaround from loss to profit for the year of 2021, which was mainly attributable to the combined effect of (i) the profit of around HK\$ 7 million generated from the oil and gas production business in Canada; (ii) the net aggregate profit of around HK\$ 41 million generated from the oil and by-products trading business in the PRC; (iii) the net impairment recovery of around HK\$ 333 million made for the oil and gas assets of the Group; and (iv) the administration and interest expenses of around HK\$ 23 million accrued for the Group.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2021, the information contained in this announcement is only based on the preliminary assessment of the Group’s unaudited management accounts which have not been audited or reviewed by the Company’s independent auditors, and may therefore be subject to necessary adjustments. Formal announcement of the Group’s audited annual results for the year ended 31 December 2021 shall be published on or about 25 March 2022.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Yanchang Petroleum International Limited
Mr. Feng Yinguo
Chairman

Hong Kong, 7 March 2022

Executive Directors:

Mr. Feng Yinguo (*Chairman*)
Mr. Zhang Jianmin
Mr. Ding Jiasheng

Independent Non-Executive Directors:

Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Sun Liming
Dr. Mu Guodong