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(Incorporated in Bermuda with limited liability)
(Stock Code: 702)

DISCLOSEABLE TRANSACTION LOAN TRANSACTION

THE PROVISION OF LOAN TO THE BORROWER

On 25 October 2019, the Lender, a wholly-owned subsidiary of the Company and the Borrower, an independent third party, entered into the Loan Agreement, pursuant to which the Lender had provided the Loan to the Borrower in the amount of RMB37,070,000 (equivalent to approximately HKD41,118,000).

LISTING RULES IMPLICATIONS

At the material time when the Loan Agreement was entered into, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Loan Agreement was more than 5% but less than 25%, the entering into the Loan Agreement constituted a discloseable transaction on the part of the Company and was thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

However, due to the inadvertent omission of the Management, the entering into of the Loan Agreement had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules which constituted a breach of Chapter 14 of the Listing Rules at the material time.

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THE LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

Date	:	25 October 2019
Parties	:	(i) Lender (ii) Borrower
Principal Loan Amount	:	RMB37,070,000
Interest Rate	:	10% per annum
Term	:	5 years
Repayment	:	The first interest payment shall be made on the twentieth day after 6 months from the date of the loan and subsequent interest payment shall be made every 6 months thereafter. The first principal repayment shall be made on the twentieth day after 18 months from the date of the loan and subsequent principal repayment shall be made every 6 months thereafter
Security	:	The Oil Assets

INFORMATION ON THE PARTIES

The Company is a company incorporated in Bermuda with limited liability. The Lender is a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company. The Group is principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, (iii) exploitation and sale of crude oil and natural gas and (iv) provision for financial services in China.

The Borrower is principally engaged in investment in oil and gas business. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Borrower and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE

The provision of the loan was funded by the Group's internally generated funds. The terms of the Loan Agreement were arrived at by the Group and the Borrower after arm's length negotiations and

are on normal commercial terms. Having considered (i) the interests rate on the Loan to be received by the Group against the Group's cost of capital and (ii) the potential advantage the Loan Agreement had on further negotiation of a possible investment or acquisition of the Oil Assets, which could have the potential to generate substantial cash flow and revenue in the future in accordance with the preliminary assessment by the Group. In light of the above, the Directors considered that the terms of the Loan Agreement were fair and reasonable and the provision of the Loan was in the interest of the Company and its shareholders as a whole.

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REMEDIAL ACTIONS

The Company regrets the omission of such disclosure and in order to avoid the occurrence of similar non-compliance with the Listing Rules in the future, the Company will implement the following measures and procedures:

1. the Directors have instructed the Management to take all necessary measures to examine all the loans of the Group and ensure they are in full compliance with the Listing Rules;
2. the Company will arrange to (i) hold regular departmental meetings to regularly monitor notifiable transactions, (ii) strengthen the reporting system between departments/subsidiaries and Directors, and (iii) provide more guidance materials and trainings on compliance matters to the Directors, senior management and the financial staff of the Group on a regular basis to reinforce and strengthen their understanding and knowledge of the Listing Rules;
3. the Company will engage an independent internal control expert to conduct an overall review on the internal controls of the Group in relation to compliance with Chapter 14 and Chapter 14A of the Listing Rules for the year ended 31 December 2021; and
4. the Company will work more closely with its legal advisors on compliance issues.

It is always the intention of the Company to fully comply with the Listing Rules. The Board and senior management of the Group are now fully aware of the relevant requirements under the Listing Rules and will ensure that the Company will comply with the relevant Listing Rules and to avoid the recurrence of similar events in the future.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Borrower”	深圳市擁有投資發展有限公司 (Shenzhen Yongyou Investment Development Co., Ltd*), a company incorporated in the PRC with limited liability
“Company”	Sino Oil and Gas Holdings Limited, a company incorporated in Bermuda, whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Lender”	陝西兆銀融資租賃有限公司 (Shaanxi Zhao Yin Finance Leasing Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the loan with a principal amount of RMB37,070,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 25 October 2019 entered into between the Lender and the Borrower in respect of the Loan
“Management”	the management of the Company
“Oil Assets”	80% interests in certain producing oil wells and oil exploration rights registered in Kyrgyz Republic held by a company registered in Kyrgyz Republic
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Sino Oil and Gas Holdings Limited
Dai Xiaobing
Chairman

Hong Kong, 4 November 2022

As at the date of this announcement, the Board comprises two Executive Directors, namely, Dr. Dai Xiaobing and Mr. Wan Tze Fan Terence; four Non-executive Directors, namely, Mr. King Hap Lee, Mr. Huang Shaowu, Ms. Cai Yanling and Mr. Tsang Hing Bun; and three Independent Non-executive Directors, namely, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.

** The English translation of Chinese names is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*