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

## **PROFIT WARNING**

This announcement is made by Sino Oil and Gas Holdings Ltd (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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”).

## **PROFIT WARNING**

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**FY2023**”), the loss for the year of the Group for FY2023 is expected to increase significantly as compared with that for the year ended 31 December 2022. Such increase was mainly attributable to the impairment loss of approximately HK\$900 million (the “**Impairment Loss**”) on the valuation of the coalbed methane resource development project of the Group in Sanjiao, China (the “**Sanjiao CBM Project**”). During FY2023, taking into account the overall financial difficulties faced by the Group and the uncertainty regarding the implementation of the restructuring exercise as disclosed in the Company’s announcement dated 13 March 2024, the Company has decided to further extend the development timeline of the Sanjiao CBM Project. Accordingly, based on the preliminary assessment on the Sanjiao CBM Project as of 31 December 2023 prepared by an independent valuer, the Impairment Loss was recorded for the Company for FY2023, and the Group expects to record a loss of approximately HK\$1.2 billion to

HK\$1.3 billion for FY2023, which represents an increase of loss of approximately 116% to 135% comparing with that of 2022.

As the Company is still in the process of finalising the financial statements of the Group for FY2023 as at the date of this announcement, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group which have yet to be confirmed. Shareholders and the potential investors are advised to read carefully the result announcement which is expected to be published on 27 March 2024.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE**

Reference is made to the Company's announcement dated 13 March 2024 (the "**Rule 3.5 Announcement**") in relation to, amongst others, the proposed restructuring of the Company by the investors (the "**Proposed Restructuring**"). Following the publication of the Rule 3.5 Announcement, the profit estimate included in this announcement (the "**Profit Warning**") constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**") and is required to be reported on by the Company's auditors or accountants and its financial advisers. Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the reports by the Company's auditors and financial advisers; and (ii) the requirements for timely disclosures of inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the Profit Warning, in the next document to be despatched to the Shareholders (the "**Shareholders' Document**"). However, if the audited annual results of the Company for FY2023 (which fall within the ambit of Rule 10.9 of the Takeovers Code) are published prior to the despatch of the next Shareholders' Document and the relevant results together with the notes to the financial statements are incorporated by reference in the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

**The Shareholders and potential investors are advised to exercise caution when**

**dealing in the securities of the Company. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning and in assessing the merits/demerits of the transactions contemplated under the Proposed Restructuring in dealing with the securities of the Company.**

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

Hong Kong, 20 March 2024

*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, Dr. Wang Yanbin, Dr. Dang Weihua and Mr. Wan Man Wah.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*