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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)

PROFIT WARNING

This announcement is made by Yanchang Petroleum International Limited (the “Company” and 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 unaudited consolidated management accounts of the Group currently available, the Group is expected to record a loss of approximately HK\$12 million for the six months ended 30 June 2015 in contrast of a profit of approximately HK\$69 million for the six months ended 30 June 2014, which is mainly due to the operating loss of approximately HK\$40 million recorded by the crude oil and natural gas production business in Canada as a result of the global crude oil prices remained low in the first half of 2015.

Despite the Company is expecting to report a loss as a whole, include all businesses and after deduction of finance costs, administrative expenses and taxation etc, for the six months ended 30 June 2015, the Board considers the Group’s overall operational and financial positions are robust and remains positive on its business prospects, in particular, the refined oil trading business in the PRC still recorded an encouraging operating profit of approximately HK\$51 million. In view of the current low crude oil prices, the Group has introduced various measures to mitigate the operational pressure, including, inter alia, stringent controls on the operating costs and capital expenditure so as to enhance the profitability and balance the cash flows. Besides, the Group is well positioned to seize acquisition opportunities as they come.

As the Company is still in the process of finalising the interim results for the six months ended 30 June 2015, the information contained in this announcement is only based on the preliminary assessment of the Group’s unaudited management accounts which has 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 interim results for the six months ended 30 June 2015 is expected to be published on or before 20 August 2015.

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

By Order of the Board
Yanchang Petroleum International Limited
Zhang Kaiyong
Chairman

Hong Kong, 6 August 2015

Executive Directors:

Mr. Zhang Kaiyong (*Chairman*)
Mr. Ren Yansheng (*Chief Executive Officer*)
Mr. Hui Bo (*Vice President*)
Mr. Shen Hao
Mr. Feng Dawei
Mr. Zhao Jie
Mr. Andres Pena Salceda

Independent Non-Executive Directors:

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