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

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION
PROVISION**

This announcement is made by Sino Oil and Gas Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MEMORANDUM OF UNDERSTANDING

The Board of the Company wishes to announce that on 21 October 2022, the Company and Jiangxi Jovo Energy Company Limited (江西九豐能源股份有限公司) (the “**Potential Subscriber**”), a company listed on the Shanghai Stock Exchange (stock code: 605090.SH) entered into a memorandum of understanding (the “**MOU**”) regarding the possible subscription by the Potential Subscriber of a number of new shares in the Company (the “**Possible Subscription**”), which shall represent not less than 50% and not more than 75% of the entire issued share capital of the Company as enlarged by the allotment and issue of such shares (the “**Subscription Shares**”). The MOU sets forth the understanding between the parties and certain preliminary terms in relation to the Possible Subscription.

The Potential Subscriber is a large-scale integrated group with the principal business of providing clean energy to the gas industry in China with a focus on midstream and downstream. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Potential Subscriber is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Principal terms of the MOU

The principal terms of the MOU are set out as follows:

Subscription Shares:	The Subscription Shares shall comprise a number of new shares in the Company representing not less than 50% and not more than 75% of the
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entire issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Confirmation of Financial Resources: The Potential Subscriber shall, within three (3) business days after the execution of the MOU, provide the Company a confirmation of financial resources issued by a banking institution (the “**Confirmation of Financial Resources**”).

Reorganisation Agreement: The Company and the Potential Subscriber shall use their reasonable endeavour to enter into a formal agreement (the “**Reorganisation Agreement**”) in respect of potential reorganisation of the Company (the “**Potential Reorganisation**”) within 90 days after the execution of the MOU, unless otherwise extended in writing by the parties thereto.

In the event that the Company and the Potential Subscriber are not able to enter into the Reorganisation Agreement within 90 days upon the execution of the MOU (or any other day as agreed between the parties thereto), the MOU shall be terminated (save and except for the provisions in relation to legal effect, confidentiality and governing law and jurisdiction).

Due Diligence Review: Immediately after the execution of the MOU, the Company shall assist the Potential Subscriber, its consultants and agents to gain access to the use of the Company’s corporate records, accounts and other documents and ensure that any such information and contents so provided are true, accurate and complete.

Exclusivity Period: The Potential Subscriber has been granted an exclusivity period of 90 days after the date of execution of the MOU (the “**Exclusivity Period**”), whereby the Company shall not engage in any negotiations or discussions or enter into any verbal or written agreement or arrangement with any third party in respect of any potential reorganisation arrangement.

Legal effect of the MOU

The provisions in relation to the Confirmation of Financial Resources, the Reorganisation

Agreement, the Due Diligence Review, legal effect, confidentiality, the Exclusivity Period and governing law and jurisdiction are legally binding. Other provisions of the MOU (including those relating to the Possible Subscription and the Potential Reorganisation) do not have any legally binding effect.

The Possible Subscription and the Potential Reorganisation are subject to further negotiation and the execution of a formal agreement between the Company and the Potential Subscriber.

If the Possible Subscription materialise, they will lead to various possible outcomes and one of the possible outcomes is a change in control of the Company and a mandatory general offer under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no formal agreements have been entered into in respect of the Possible Subscription, and the discussion and negotiation are still in progress, therefore the Possible Subscription may or may not proceed.

POSSIBLE GENERAL OFFER AND TAKEOVERS CODE IMPLICATIONS

Subject to any formal agreement being entered into and the satisfaction or waiver (as the case may be) of such conditions precedent to completion of the Possible Subscription and the Potential Reorganisation as may be specified therein, and if the Possible Subscription and the Potential Reorganisation materialise and are completed, the Potential Subscriber will acquire more than 30% of the voting rights of the Company, giving rise to an obligation on the part of the Potential Subscriber and any parties acting in concert with it to make a mandatory unconditional general offer for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Potential Subscriber and any parties acting in concert with it) under Rule 26.1 of the Takeovers Code and to make an appropriate offer to the holders of any convertible securities under 13.1 of the Takeovers Code.

No formal agreement had been entered into in respect of the Possible Subscription and the Potential Reorganisation as at the date of this announcement and the negotiations are still in progress, thus there is no certainty that the Possible Subscription and the Potential Reorganisation will proceed or that it would lead to a mandatory general offer under Rule 26.1 of the Takeovers Code.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced from 9 February 2022, being the date of the first announcement of the Company published pursuant to Rule 3.7 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in the relevant securities) are reminded to disclose their dealings in the securities of the Company pursuant to the

requirements under Rule 22 of the Takeovers Code.

WARNING

There is no assurance that the Possible Subscription and the Potential Reorganisation will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. The Possible Subscription and the Potential Reorganisation may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 21 October 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 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.