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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)

BANKRUPTCY REORGANISATION APPLICATION OF A NON-WHOLLY OWNED PRC SUBSIDIARY OF THE COMPANY

This announcement is made by Yanchang Petroleum International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.25(1)(b) 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).

References are made to the announcements of the Company dated 2 June 2022, 9 June 2022, 8 July 2022, 22 July 2022, 3 August 2022, 12 August 2022, 19 August 2022, 14 September 2022, 15 September 2022 and 28 October 2022 (the “**Announcements**”) in relation to the pending litigations of the Company’s 51% indirectly owned PRC subsidiary (the “**Subsidiary**”), namely Yanchang Petroleum (Zhejiang FTZ) Limited* (延長石油（浙江自貿區）有限公司). Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meanings defined in the Announcements.

The Board would like to inform the Company’s shareholders and potential investors that the Subsidiary intends to restructure its existing indebtedness owed to the plaintiffs stated in the Announcements and other relevant creditors through the applicable provisions of the Enterprise Bankruptcy Law of the People’s Republic of China (the “**PRC**”). The Subsidiary is prepared to file the application for bankruptcy reorganisation (the “**Bankruptcy Reorganisation Application**”) with the People’s Court of Guangzhou City (the “**Court**”) of Guangdong Province of the PRC, on or after 7 November 2022.

The Board is of the opinion that, by voluntarily filing the Bankruptcy Reorganisation Application with the Court and, if subsequently consented by the Court, there would be a platform for the Subsidiary to restructure its existing indebtedness with the plaintiffs and other relevant creditors, (the “**Debt Restructuring**”). Subject to the Court’s discretion, the Debt Restructuring may involve the appointment of provisional administrator(s), the introduction of strategic investors and the coordination of negotiations amongst creditors with an aim to formulating the Debt Restructuring plan. The Board believes that until the end of the Debt Restructuring, the Subsidiary can continue its business as a going concern.

The Subsidiary has also conducted in-depth communication with strategic investors in relation to its future financing and business plan. Certain strategic investors have expressed their preliminary interests in investing in the Subsidiary after the Debt Restructuring. The Board expects that the future financing from strategic investor(s) would enable the Subsidiary to (i) repay its existing debts, (ii) revive and enlarge the scale of its existing business, and (iii) strengthen its financial position and performance.

Notwithstanding the possible Debt Restructuring of the Subsidiary, the Board considers that the Company is able to continue to carry out other businesses having substance, with sufficient level of operations and assets of sufficient value. The Company will make further announcement(s) to keep its shareholders and potential investors informed of any significant development on the Bankruptcy Reorganisation Application as and when appropriate.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 November 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

* The English translation of terms or names in Chinese which are marked with “*” is for identification purpose only.