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PETRO-KING OILFIELD SERVICES LIMITED

百勤油田服務有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2178)

**DISCLOSEABLE TRANSACTION IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE AND
DISCLOSURE PURSUANT TO
RULES 13.13 AND 13.16 OF THE LISTING RULES**

THE NEW GUARANTEE

To re-finance certain existing bank loans of Petro-king Huizhou, a new bank revolving loan facility of RMB53,000,000 (namely the New Loan) was entered into between Petro-king Huizhou and HRC Bank on 22 February 2023.

On 22 February 2023, Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II entered into the New Guarantee Agreement with HRC Bank for the purpose of providing the New Guarantee for the New Loan, pursuant to which the guarantee amount would be limited to the respective proportion of shareholding of Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II in Petro-king Huizhou.

Mr. Wang and his family members (who are shareholders of Petro-king Huizhou) and Petro-king Technology have also provided a guarantee in favour of HRC Bank in respect of the full amount of the New Loan.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Guarantee, on a standalone basis and when aggregated with the Existing Guarantee, are more than 5% but all of them are less than 25%, the provision of the New Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Wang is a non-executive Director and is a substantial shareholder of the Company, who is interested in approximately 28.32% of the issued Shares. Mr. Wang is therefore a connected person of the Company. As at the date of this announcement, Mr. Wang and his associates are also substantial shareholders of Petro-king Huizhou and together are interested in approximately 33.21% of the equity interest in Petro-king Huizhou. Based on the above, Petro-king Huizhou is an associate of Mr. Wang and also a connected person of the Company under Chapter 14A of the Listing Rules.

The provision of the Existing Guarantee and the New Guarantee constitute provisions of financial assistance by the Group to Petro-king Huizhou, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules. As the Existing Guarantee and the New Guarantee have been entered into on normal commercial terms or better, and have been provided by the Group in proportion to the equity interest held by the Group in Petro-king Huizhou on several but not joint basis, the Existing Guarantee and the New Guarantee are fully exempted from the requirements under Chapter 14A of the Listing Rules in accordance with Rule 14A.89 of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies of the Group (as the case may be) exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). As the aggregate amount of the Group's advances to Petro-king Huizhou and its subsidiary, and the Group's financial assistance given to, and guarantees given for facilities granted to, affiliated companies of the Group (as defined under Rule 13.11(2) of the Listing Rules) exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 26 April 2022 in relation to, among others, the provision of the First Guarantee and the Second Guarantee.

On 23 June 2022, a separate bank revolving loan facility of RMB4,000,000 (namely the Existing Loan) was entered into between Petro-king Huizhou and HRC Bank. Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II entered into the Existing Guarantee Agreement with HRC Bank for the purpose of providing the Existing Guarantee for the Existing Loan, pursuant to which the guarantee amount would be limited to the respective proportion of shareholding of Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II in Petro-king Huizhou. Mr. Wang and his family members (who are shareholders of Petro-king Huizhou) and Petro-king Technology have also provided a guarantee in favour of HRC Bank in respect of the full amount of the Existing Loan.

To re-finance certain existing bank loans of Petro-king Huizhou, a new bank revolving loan facility of RMB53,000,000 (namely the New Loan) was entered into between Petro-king Huizhou and HRC Bank on 22 February 2023. Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II entered into the New Guarantee Agreement with HRC Bank for the purpose of providing the New Guarantee for the New Loan, pursuant to which the guarantee amount would be limited to the respective proportion of shareholding of Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II in Petro-king Huizhou. Mr. Wang and his family members (who are shareholders of Petro-king Huizhou) and Petro-king Technology have also provided a guarantee in favour of HRC Bank in respect of the full amount of the New Loan.

The First Loans and the Second Loan have been fully settled on 14 February 2023. HRC Bank confirmed that the obligation of Petro-king Shenzhen under both the First Guarantee and the Second Guarantee have been fully released. As at the date of this announcement, the outstanding principal amount of the Existing Loan is approximately RMB4,000,000 (equivalent to approximately HK\$4,570,000), out of which the liability exposure of Petro-king Shenzhen in respect of the principal amount is approximately RMB1,309,000 (equivalent to approximately HK\$1,495,000), corresponding to the shareholding of Petro-king Shenzhen in Petro-king Huizhou of approximately 32.73%.

THE NEW GUARANTEE

On 22 February 2023, Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II entered into the New Guarantee Agreement with HRC Bank for the purpose of providing the New Guarantee for the New Loan. Principal terms of the New Guarantee Agreement are set out below:

Date: 22 February 2023

Parties:

- (1) Petro-king Shenzhen;
- (2) The Employee Partnership Enterprise I;
- (3) The Employee Partnership Enterprise II; and
- (4) HRC Bank

Guarantee: Under the New Guarantee Agreement, Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II, as the guarantors, agreed to provide guarantee in favour of HRC Bank for the New Loan, including but not limited to the principal amount, interests, penalty interests, compound interests, default penalties, compensations and other expenses incurred by HRC Bank in relation to the recovery of the New Loan

Based on the principal amount of the New Loan of RMB53,000,000 (equivalent to approximately HK\$60,547,000), the liability exposure of Petro-king Shenzhen in respect of the principal amount is approximately RMB17,347,000 (equivalent to approximately HK\$19,817,000), corresponding to the shareholding of Petro-king Shenzhen in Petro-king Huizhou of approximately 32.73%

Guarantee period: From the effective date of the New Guarantee Agreement until the third anniversary of the date on which Petro-king Huizhou has fully discharged its repayment obligations under the New Loan

Mode of guarantee: Several but not joint liability guarantee (subject to the proportion of the equity interest directly held by Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II in Petro-king Huizhou)

Effective date: The New Guarantee Agreement has become effective upon due execution on 22 February 2023

Mr. Wang and his family members (who are shareholders of Petro-king Huizhou) and Petro-king Technology have also provided a guarantee in favour of HRC Bank in respect of the full amount of the New Loan.

REASONS FOR AND BENEFITS OF PROVIDING THE NEW GUARANTEE

The Group has a long and stable cooperative relationship with, and has been providing financial assistance to, Petro-king Huizhou for a long period of time. Petro-king Huizhou was a subsidiary of the Company prior to June 2021. Following (i) certain rounds of capital increases by various parties to Petro-king Huizhou, and (ii) the partial disposal of the Group's equity interest in Petro-king Huizhou, Petro-king Huizhou ceased to be a subsidiary of the Company and has been accounted for as interest in an associate since June 2021. As at the date of this announcement, the Group holds approximately 32.73% equity interest in Petro-king Huizhou.

The purpose of the New Loan is to re-finance certain existing bank loans of Petro-king Huizhou. Provision of the New Guarantee facilitated Petro-king Huizhou in obtaining the New Loan for its continued operation and development, given that it is a common practice in the PRC for commercial banks to request the major shareholders of an entity to provide guarantees for granting loans to such entity. Mr. Wang and his family members (who are shareholders of Petro-king Huizhou) and Petro-king Technology have also provided a guarantee in favour of HRC Bank in respect of the full amount of the New Loan. Petro-king Technology has pledged its buildings with an aggregate market value of approximately RMB77,128,000 (equivalent to approximately HK\$88,111,000) as security under the New Loan.

The Group has reviewed the latest financial position and financial budget of Petro-king Huizhou and is satisfied that Petro-king Huizhou would be able to settle the Existing Loan and the New Loan upon their respective maturity. The Group is therefore of the view that the risks to be assumed by the Group for its continued provision of financial assistance to Petro-king Huizhou are acceptable.

In return for the provision of the New Guarantee, Petro-king Shenzhen is entitled to receive from Petro-king Huizhou a guarantee fee of 1.0% per annum of the outstanding principal amount of the New Loan multiplied by the then shareholding interest in Petro-king Huizhou held by Petro-king Shenzhen (calculated on a daily basis), agreed based on arm's length negotiations between Petro-king Shenzhen and Petro-king Huizhou and the prevailing fee rate of the provision of guarantee in the market.

The Company has nominated one director out of three to the board of directors of Petro-king Huizhou as at the date of this announcement, and the financial statements of Petro-king Huizhou are provided to the Company on a regular basis, such that the Company may continuously monitor the financial performance and position of Petro-king Huizhou and the risks associated with the provision of financial assistance to Petro-king Huizhou.

Given the provision of the New Guarantee does not involve any cash outflow from the Group, and it is satisfied that Petro-king Huizhou would be able to settle the Existing Loan and the New Loan upon their respective maturity based on the Group's review as mentioned above, the provision of the New Guarantee is not expected to have any material adverse effect on the financial position of the Group.

Taking into account the relationship between the Company and Petro-king Huizhou, the financial position of Petro-king Huizhou and the guarantee fee to be earned from the provision of the New Guarantee, the Directors (other than Mr. Wang and Mr. Huang Yu (executive Director and chief executive officer of the Company), who are also directors of Petro-king Huizhou, and both have abstained from voting on the relevant board resolution approving the provision of the New Guarantee to avoid any potential conflict of interest) consider that (i) the New Guarantee is entered into on normal commercial terms based on arm's length negotiations between the Group and Petro-king Huizhou and enables Petro-king Huizhou to continue obtaining loan facilities from financial institutions for its business operations, and (ii) the terms of the New Guarantee are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Group and Petro-king Shenzhen

The Group is principally engaged in the business of provision of production enhancement services, drilling services, consultancy services and integrated project management services for oilfield and gas fields, with auxiliary activities in the trading of oilfield and gas field related products.

Petro-king Shenzhen is a company established under the laws of the PRC with limited liability and is indirectly wholly-owned by the Company. It is principally engaged in investment holding in the PRC.

Information on Petro-king Huizhou

Petro-king Huizhou is a company established under the laws of the PRC with limited liability and is principally engaged in the research and development, production and trading of oilfield and gas field related products.

As at the date of this announcement, Petro-king Huizhou is (i) approximately 32.73% owned by the Group, (ii) approximately 24.15% directly owned by Mr. Wang and his family members, (iii) approximately 9.06% owned by Mr. Wang through his associate 深圳市龍躍管理諮詢合夥企業(有限合夥) (Shenzhen Longyue Management Consulting Partnership Enterprise (Limited Partnership)[#]) (the “**Employee Partnership Enterprise I**”), (iv) approximately 6.89% owned by 深圳市龍凱管理諮詢合夥企業(有限合夥) (Shenzhen Longkai Management Consulting Partnership Enterprise (Limited Partnership)[#]) (the “**Employee Partnership Enterprise II**”), (v) approximately 4.96% owned by 深圳市凱安管理諮詢合夥企業(有限合夥) (Shenzhen Kaian Management Consulting Partnership Enterprise (Limited Partnership)[#]) (“**Shenzhen Kaian**”), (vi) approximately 2.48% owned by Mr. Zhou Xian, (vii) approximately 2.48% owned by 東方港灣(橫琴)投資管理有限公司 (Dongfang Gangwan (Hengqin) Investment Management Co., Ltd.[#]) (“**Dongfang Gangwan**”), (viii) approximately 2.48% owned by Mr. Zhang Houdong, (ix) approximately 2.48% owned by Mr. Fang Yonghao, (x) approximately 2.48% owned by Mr. Yang Hongjun, (xi) approximately 2.26% owned by Mr. Zhang Shiqiang, (xii) approximately 2.06% owned by Mr. Zhou Xiaoping, (xiii) approximately 1.98% owned by Mr. Dai Shaoyue, (xiv) approximately 1.93% owned by 寧波梅山保稅港區準審創業投資合夥企業(有限合夥) (Ningbo Meishan Free Trade Zone Zhunrui Entrepreneur Investment Partnership Enterprise (Limited Partnership)[#]) (the “**Zhunrui Partnership**”), (xv) approximately 0.87% owned by Mr. Chen Jianwei, and (xvi) approximately 0.70% owned by Ms. Xue Mei.

The Employee Partnership Enterprise I is a special investment vehicle and is principally engaged in investment in equity interest in Petro-king Huizhou. The Employee Partnership Enterprise I is managed by the general partner, namely Mr. Wang. Mr. Wang and his family members held approximately 53% interest in the Employee Partnership Enterprise I as at the date of this announcement and accordingly, the Employee Partnership Enterprise I is an associate of Mr. Wang and a connected person of the Company. The Employee Partnership Enterprise I has 17 limited partners, all of them are existing employees of Petro-king Huizhou. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, except one limited partner who is an associate of Mr. Wang, all remaining limited partners of the Employee Partnership Enterprise I are natural persons who are Independent Third Parties.

The Employee Partnership Enterprise II is a special investment vehicle and is principally engaged in investment in equity interest in Petro-king Huizhou. The Employee Partnership Enterprise II is managed by the general partner, namely Mr. Shi Junyi, a natural person who is a former employee of the Group and is an Independent Third Party. Mr. Shi Junyi held approximately 13.89% as the single largest partner in the Employee Partnership Enterprise II as at the date of this announcement. The Employee Partnership Enterprise II has 34 limited partners, 12 of them are existing employees of the Group, and 17 of them are existing employees of Petro-king Huizhou. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, all of the limited partners of the Employee Partnership Enterprise II are natural persons who are Independent Third Parties.

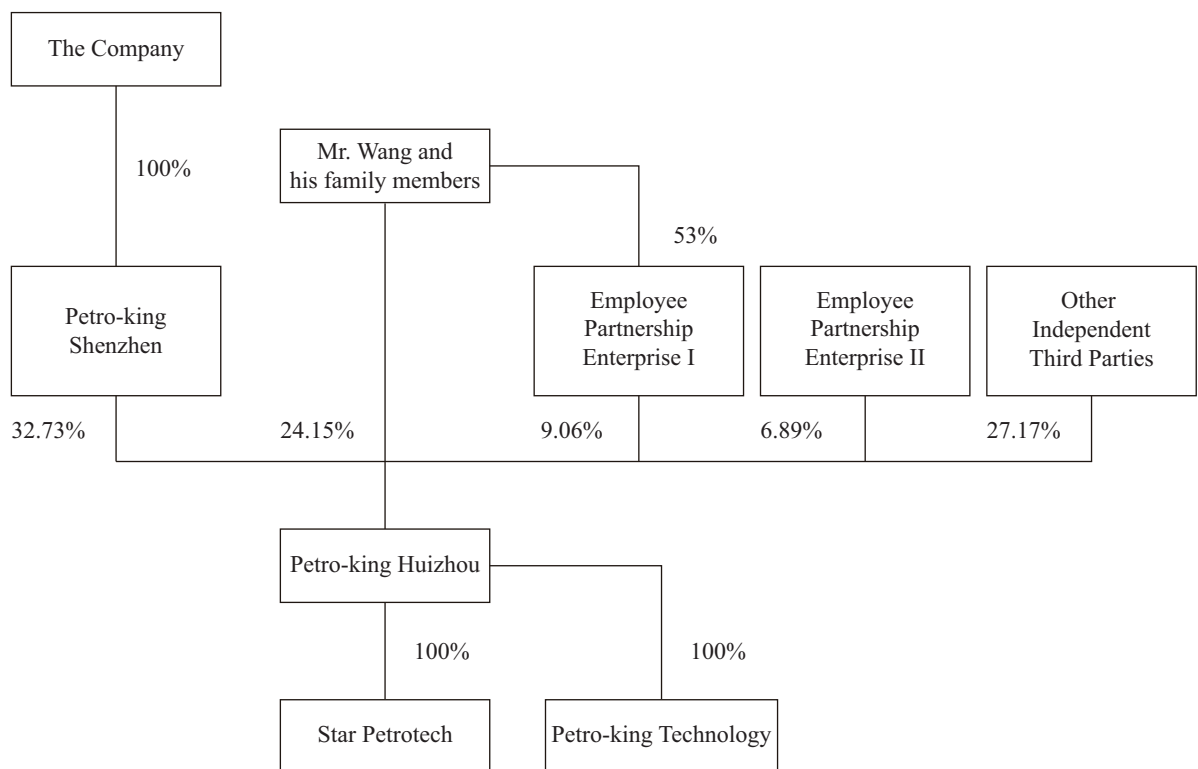
Shenzhen Kaian is a special investment vehicle and is principally engaged in equity investment. Shenzhen Kaian is owned as to approximately 99.9% by Mr. Zhang Yang as the limited partner and as to approximately 0.1% by 深圳市凱華投資管理有限公司 (Shenzhen Kaihua Investment Management Co., Ltd.[#]) (“**Shenzhen Kaihua**”) as the general partner. The general partner and the limited partner of Shenzhen Kaihua is 吳瑛 and 張浩宇 respectively, holding approximately 90% and 10% interest in Shenzhen Kaihua, respectively as at the date of this announcement. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the limited partner and the general partner of Shenzhen Kaian (including its ultimate beneficial owners) is an Independent Third Party.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of Mr. Zhou Xian, Mr. Zhang Houdong, Mr. Fang Yonghao, Mr. Yang Hongjun, Mr. Zhang Shiqiang, Mr. Zhou Xiaoping, Mr. Dai Shaoyue, Mr. Chen Jianwei and Ms. Xue Mei is a natural person who is an Independent Third Party.

Dongfang Gangwan is a company established in the PRC with limited liability and is principally engaged in investment management, assets management and equity investment. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Dongfang Gangwan is wholly owned by 深圳東方港灣投資管理股份有限公司 (Shenzhen Dongfang Gangwan Investment Management Co., Ltd.[#]), which is in turn owned by 但斌, 張敏, 周明波, 鄭衛峰, 吳惠玲, 黃海平 and 任仁雄 as to approximately 78.75%, 5.625%, 5.625%, 5%, 2%, 2% and 1% respectively as at the date of this announcement, all of them are Independent Third Parties.

The Zhunrui Partnership is principally engaged in investment in equities and has 7 partners, with 寧波市九天矩陣投資管理有限公司 (Ningbo Jiutian Juzhen Investment Management Limited[#]), the principal business of which is investment management, acting as the general partner and 寧波正棱柱創業投資合夥企業(有限合夥) (Ningbo Zheng Leng Zhu Entrepreneur Investment Partnership Enterprise (Limited Partnership)[#]) (the “**Zheng Leng Zhu Partnership**”), 袁冰, 何陟華, 張純, 周文 and 馬華 as limited partners, holding approximately 10.44%, 51.28%, 23.11%, 8.31%, 2.36%, 2.26%, 2.24%, respectively, in the Zhunrui Partnership as at the date of this announcement. The Zheng Leng Zhu Partnership is owned by 袁冰, 袁毅, 馬華, 董蕊利 and 張純 as to approximately 30%, 25%, 25%, 10% and 10% respectively as at the date of this announcement. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the general partner (including its ultimate beneficial owners) and limited partners is an Independent Third Party.

The diagram below illustrates the simplified shareholding structure of Petro-king Huizhou, Star Petrotech and Petro-King Technology as at the date of this announcement:



Information on HRC Bank

HRC Bank is a financial institution established in the PRC which is principally engaged in the provision of various retail banking and commercial banking services in the PRC. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, HRC Bank and its ultimate beneficial owner(s) are Independent Third Parties.

ADVANCES TO AN ENTITY AND FINANCIAL ASSISTANCE TO AND GUARANTEES GIVEN FOR FACILITIES GRANTED TO AFFILIATED COMPANIES

The Board would like to disclose details of advances to an entity and financial assistance to and guarantees given for facilities granted to affiliated companies of the Group (as defined under Rule 13.11(2)(a) of the Listing Rules) in accordance with Rules 13.13 and 13.16 of the Listing Rules.

As at the date of this announcement, the aggregate amount of the Group's advances to an entity and financial assistance given to and guarantees given for facilities granted to affiliated companies of the Group exceeded 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). Details are set out as follows:

Name of affiliated companies	The Group's attributable interest in the affiliated companies	Loans to the affiliated companies (HK\$'000)	Unutilised facilities granted to the affiliated companies (HK\$'000)	Committed capital injection (HK\$'000)	Guarantees for facilities granted to the affiliated companies (HK\$'000)	Guaranteed facilities utilised by the affiliated companies (HK\$'000)	Aggregate amount of financial assistance and guarantees (HK\$'000)
		A	B		C		A+B+C
Petro-king Huizhou	32.73%	26,275 (Note 1)	- (Note 1)	- (Note 3)	21,312 (Note 2)	1,495 (Note 2)	47,587
Star Petrotech	32.73%	21,195 (Note 1)	- (Note 1)	- (Note 3)	-	-	21,195
Total		<u>47,470</u>	<u>-</u>	<u>-</u>	<u>21,312</u>	<u>1,495</u>	<u>68,782</u>

Notes:

- (1) The loans provided to Petro-king Huizhou and Star Petrotech are to facilitate their continued operation and development and for their general working capital purpose. Such loans (i) are unsecured but guaranteed by Mr. Wang, (ii) bear interest of 7% per annum, and (iii) due during the period from December 2023 to December 2024. For further details, please refer to the announcement of the Company dated 9 November 2022 and the circular of the Company dated 30 November 2022.
- (2) The Existing Guarantee and the New Guarantee are given by Petro-king Shenzhen on a several and proportional basis to secure the Existing Loan and the New Loan which, (i) are guaranteed and/or secured by certain personal and corporate guarantees, and/or certain buildings of Petro-king Technology (applicable to the New Loan only), (ii) bear interest of 4.15% and 5.3% per annum respectively, and (iii) due during the period from June 2023 to February 2026. For further details, please refer to the other sections in this announcement.
- (3) There is no committed capital injection by the Group to its affiliated companies.

The Company will comply with the disclosure requirements under Rules 13.20 to 13.22 of the Listing Rules where the circumstances giving rise to the disclosure under Rules 13.13 and 13.16 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Guarantee, on a standalone basis and when aggregated with the Existing Guarantee, are more than 5% but all of them are less than 25%, the provision of the New Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Wang is a non-executive Director and is a substantial shareholder of the Company, who is interested in approximately 28.32% of the issued Shares. Mr. Wang is therefore a connected person of the Company. As at the date of this announcement, Mr. Wang and his associates are also substantial shareholders of Petro-king Huizhou and together are interested in approximately 33.21% of the equity interest in Petro-king Huizhou. Based on the above, Petro-king Huizhou is an associate of Mr. Wang and also a connected person of the Company under Chapter 14A of the Listing Rules.

The provision of the Existing Guarantee and the New Guarantee constitute provisions of financial assistance by the Group to Petro-king Huizhou, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules. As the Existing Guarantee and the New Guarantee have been entered into on normal commercial terms or better, and have been provided by the Group in proportion to the equity interest held by the Group in Petro-king Huizhou on several but not joint basis, the Existing Guarantee and the New Guarantee are fully exempted from the requirements under Chapter 14A of the Listing Rules in accordance with Rule 14A.89 of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies of the Group (as the case may be) exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). As the aggregate amount of the Group's advances to Petro-king Huizhou and its subsidiary, and the Group's financial assistance given to, and guarantees given for facilities granted to, affiliated companies of the Group (as defined under Rule 13.11(2) of the Listing Rules) exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	Petro-king Oilfield Services Limited (百勤油田服務有限公司), a company incorporated in the British Virgin Islands, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2178)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee Partnership Enterprise I”	has the same meaning as defined in the section headed “Information On The Parties” of this announcement
“Employee Partnership Enterprise II”	has the same meaning as defined in the section headed “Information On The Parties” of this announcement
“Existing Guarantee”	the guarantees provided by Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II for the Existing Loan

“Existing Guarantee Agreement”	the guarantee agreement dated 23 June 2022 entered into between Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II and HRC Bank in respect of the Existing Guarantee
“Existing Loan”	the bank revolving loan facility granted by HRC Bank to Petro-king Huizhou in the principal amount of RMB4,000,000, bearing a fixed interest rate of 4.15% per annum, and for a duration from 23 June 2022 to 22 June 2023, pursuant to a facility agreement dated 23 June 2022 entered into between Petro-king Huizhou and HRC Bank
“First Guarantee”	the guarantee provided by Petro-king Shenzhen for the First Loans pursuant to a guarantee agreement dated 1 July 2021 entered into between Petro-king Shenzhen and HRC Bank
“First Loans”	collectively (i) the bank term loan facility granted by HRC Bank to Petro-king Huizhou in the principal amount of RMB20,000,000, bearing a fixed interest rate of 6.9% per annum, and for a duration from 8 April 2020 to 7 April 2023, pursuant to a facility agreement dated 8 April 2020 entered into between Petro-king Huizhou and HRC Bank, and (ii) the bank term loan facility granted by HRC Bank to Petro-king Huizhou in the principal amount of RMB25,000,000, bearing a fixed interest rate of 5.65% per annum, and for a duration from 18 December 2020 to 17 December 2023, pursuant to a facility agreement dated 18 December 2020 entered into between Petro-king Huizhou and HRC Bank
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“HRC Bank”	Huizhou Rural Commercial Bank, Zhongkai Branch, a financial institution in the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Jinlong, the chairman of the Company and a non-executive Director, and through his controlled corporation, is deemed to be interested in approximately 28.32% of the entire shareholding of the Company as at the date of this announcement
“New Guarantee”	the guarantee provided by Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II for the New Loan
“New Guarantee Agreement”	the guarantee agreement dated 22 February 2023 entered into between Petro-king Shenzhen, the Employee Partnership Enterprise I and the Employee Partnership Enterprise II and HRC Bank in respect of the New Guarantee
“New Loan”	the bank revolving loan facility granted by HRC Bank to Petro-king Huizhou in the principal amount of RMB53,000,000, bearing a fixed interest rate of 5.3% per annum, and for a duration from 22 February 2023 to 21 February 2026, pursuant to a facility agreement dated 22 February 2023 entered into between Petro-king Huizhou and HRC Bank

“Petro-king Huizhou”	百勤能源科技(惠州)有限公司 (Petro-king Energy Technology (Huizhou) Co., Ltd. [#]), a company established in the PRC with limited liability
“Petro-king Shenzhen”	百勤石油(深圳)有限公司 (Petro-king Oil (Shenzhen) Co., Ltd. [#]), a company established in the PRC with limited liability and is indirectly wholly-owned by the Company
“Petro-king Technology”	百勤石油技術(惠州)有限公司 (Petro-king Oil Technology (Huizhou) Co., Ltd. [#]), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of Petro-king Huizhou
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Second Guarantee”	the guarantee provided by Petro-king Shenzhen for the Second Loan pursuant to a guarantee agreement dated 17 December 2021 entered into between Petro-king Shenzhen and HRC Bank
“Second Loan”	the bank revolving loan facility granted by HRC Bank to Petro-king Huizhou in the principal amount of RMB15,000,000, bearing a fixed interest rate of 5.3% per annum, and for a duration from 17 December 2021 to 16 December 2024, pursuant to a facility agreement dated 17 December 2021 entered into between Petro-king Huizhou and HRC Bank
“Share(s)”	ordinary share(s) in the share capital of the Company with no par value
“Shareholder(s)”	holder(s) of the Share(s)
“Star Petrotech”	Star Petrotech Pte. Ltd., a company incorporated in Singapore with limited liability and is directly wholly-owned by Petro-king Huizhou

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

Translation of RMB into HK\$ is based on the exchange rate of RMB1 to HK\$1.14240.

By Order of the Board

PETRO-KING OILFIELD SERVICES LIMITED

Wang Jinlong

Chairman

Hong Kong, 22 February 2023

As at the date of this announcement, the executive Directors are Mr. Zhao Jindong and Mr. Huang Yu; the non-executive Directors are Mr. Wang Jinlong and Mr. Wong Shiu Kee; and the independent non-executive Directors are Mr. Leung Lin Cheong, Mr. Xin Junhe and Mr. Zhang Dawei.