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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**”, 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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company and the potential investors that based on the unaudited management accounts of the Group currently available, the Group is expected to record a loss of around HK\$620 million for the year ended 31 December 2022, as compared to a profit of around HK\$359 million for the previous year.

The loss of the the Group’s annual loss was mainly due to the substantial loss of a subsidiary in the PRC in which the Company indirectly owns 51% (the “**Subsidiary**”), which was involved in a number of legal proceedings. The Subsidiary had initially applied to the court for bankruptcy reorganization, and was finally approved but changed to the pre-restructuring by the court on 17 March 2023 (the “**Pre-restructuring**”). The Pre-restructuring would give greater flexibility in handling the debt restructuring of the Subsidiary, and in turn, would achieve both targets of revitalising the Subsidiary’s business and protecting the interests of the Company.

Notwithstanding the substantial loss of the Subsidiary amounted to around 850 million, both the oil and gas production business in Canada and the refined oil trading business in the PRC remains robust and recorded profit of around HK\$73 million and around HK\$16 million respectively for the year ended 31 December 2022.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2022, the information contained in this announcement is only based on the preliminary assessment of the Group's unaudited management accounts which have not been audited or reviewed by the Company's independent auditors, and would therefore be subject to necessary adjustments. Formal announcement of the Group's annual results for the year ended 31 December 2022 shall be published on or about 30 March 2023.

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

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

Hong Kong, 20 March 2023

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

Non-Executive Director:

Mr. Sun Jian