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

## **HOLDING ANNOUNCEMENT**

Reference is made to the announcement of Sino Oil and Gas Holdings Limited (the “**Company**”) dated 23 February 2023 in respect of the trading halt in the shares (each a “**Share**”) of the Company on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on 23 February 2023 pending the release of an announcement which contains inside information of the Company pursuant to the Hong Kong Code on Takeovers and Mergers (the “**Announcement**”).

The board of directors of the Company (the “**Board**”) wishes to provide an update to the shareholders and potential investors of the Company regarding the trading halt in the shares of the Company.

The Board wishes to update that on 22 February 2023 (after trading hours), the Company, as the issuer, and a potential investor (the “**Investor**”), as the subscriber, entered into a legally binding conditional term sheet (the “**Term Sheet**”) in respect of, among others, (i) the subscription of convertible bonds (the “**Cash CB**”) by cash; (ii) the subscription of (a) convertible bonds (the “**Debt CB**”) and (b) new Shares (the “**Debt Shares**”) by off-setting against the obligations and liabilities of the Company under the secured convertible bonds issued by the Company due 29 September 2020; (iii) the waiver (the “**Whitewash Waiver**”) from the Executive Director (the “**Executive**”) of the Corporate Finance Division of the Securities and Futures Commission pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Investor to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Investor and any parties acting in concert with it which would otherwise arise as a result of the allotment and issue of Shares upon the exercise of the conversion rights attached to the Debt CB by the Investor; and (iv) the proposed scheme of arrangement proposed by the Company to its creditors pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and, if required, the Companies Act 1981 of Bermuda (as amended) on the terms that the creditors accept in full discharge of their claims. The completion of the transactions contemplated under the Term Sheet (the “**Restructuring Transactions**”) is conditional in all respects upon fulfillment of the condition precedents as set out in the Term Sheet.

Immediately after the allotment and issue of the Debt Shares and the Shares (the “**Conversion Shares**”) to be allotted and issued upon exercise of the conversion rights

attaching to the Debt CB and the Cash CB, the Investor will be interested in over 30% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Debt Shares and the Conversion Shares. As such, the Investor would be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Investor and parties acting in concert with it under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive. An application will be made by the Investor to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

As at the date of this announcement, the Company is in the process of preparing the Announcement and the Announcement will be published in accordance with the Listing Rules and the Takeovers Code as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate.

**Completion of the Restructuring Transactions is subject to the fulfilment of various conditions, including the Whitewash Waiver, which is non-waivable, which may or may not be granted by the Executive. The Restructuring Transactions are also under the review of the Stock Exchange under Rule 7.27B of the Listing Rules. Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Debt Shares and the Conversion Shares and the Listing Committee may or may not grant such listing approval. Accordingly, the Restructuring Transactions may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

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

Hong Kong, 23 March 2023

*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 two Independent Non-executive Directors, namely, 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.*