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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; AND
RESUMPTION OF TRADING**

This announcement is made by Sino Oil and Gas Holdings Limited pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules on 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 TERM SHEET

References are made to (a) the announcement of the Company dated 23 February 2023 in respect of the trading halt in the Shares on the Main Board of 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 Takeovers Code; and (b) the holding announcement of the Company dated 23 March 2023 in relation to the legally binding conditional term sheet entered into between the Company as the issuer and Jiangxi Jovo as the investor on 22 February 2023. As such, the trading in the Shares was halted with effect from 9:00 a.m. on 23 February 2023 pending the release of an announcement in relation to the Jiangxi Jovo Term Sheet.

As disclosed in the holding announcement dated 23 March 2023, the Company and Jiangxi Jovo entered into the Jiangxi Jovo Term Sheet on 22 February 2023 in respect of, among others, (i) the subscription of the Cash CB by cash; (ii) the subscriptions of the Debt CB and the Debt Shares by off-setting against the obligations and liabilities of the Company under the Crescent Spring Bonds; (iii) a whitewash waiver to be made by Jiangxi Jovo; and (iv) the Creditors' Scheme.

On 24 March 2023, Jiangxi Jovo and the Company mutually agreed to enter into a termination deed to terminate the Jiangxi Jovo Term Sheet as the Company was advised by Jiangxi Jovo that agreement could not be reached between Jiangxi Jovo and Crescent Spring in respect of the consideration to acquire the debt of the Company under the Crescent Spring Bonds. As such, Jiangxi Jovo decided to withdraw from the restructuring exercise and its intended investment in the Company. There will be no legal action taken against Jiangxi Jovo by the Company regarding the termination of the Jiangxi Jovo Term Sheet.

At the same time, the Investor, which has expressed its interest in investing in the Company, is willing to take over the role as an investor and continue the restructuring exercise with the Company. It is anticipated the Investor will enter into a formal agreement with Crescent Spring regarding the Acquired Crescent Spring Bonds and therefore will not pull out of the restructuring exercise.

Therefore, on 24 March 2023 (after trading hours of the Stock Exchange), the Company and the Investor entered into a new conditional legally binding Term Sheet, pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Cash CB, the Debt CB and the Debt Shares. The subscriptions of the Cash CB, the Debt CB and the Debt Shares are subject to various conditions as stipulated in the Term Sheet.

As the trading in the Shares has been halted for a substantial period of time since 23 February 2023, in the interests of a fair and continuous market of the Shares and for the Shareholders to establish a fair and realistic valuation of the Shares, the Company endeavoured to release the inside information as soon as practicable in order to restore dealings. 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) for details of the terms and conditions of the Term Sheet.

Principal terms of the Term Sheet

A summary of the principal terms is set out below:

- Date : 24 March 2023 (after trading hours) (as a replacement of the Jiangxi Jovo Term Sheet dated 22 February 2023, and amended and supplemented by a supplemental term sheet dated 4 May 2023)
- Parties : (i) the Company; and
(ii) the Investor

The Investor and its controlling shareholders are Independent Third Parties.

Pursuant to the terms of the Term Sheet:-

- (a) subject to the fulfilment of the conditions to the subscription of the Cash CB, the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Cash CB in the name of the Investor. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Cash CB Conversion Share. The reason for the issue of the Cash CB is to resolve the impending liquidity problem of the Company and to obtain sufficient cash for the purpose of settling the Scheme Consideration. The gross proceeds from the subscription of the Cash CB will, as nominated by the Company, be paid to the Creditors' Scheme as the Scheme Consideration to settle the debts and liabilities to the Scheme Creditors; and
- (b) subject to the fulfilment of the conditions to the subscriptions of the Debt Shares and Debt CB, the Company will issue (a) the Debt Shares; and (b) the Debt CB to the Investor or its nominee. The price payable by the Investor for the Debt Shares and the

Debt CB will be fully settled by off-setting against the amount of debt owing under the Acquired Crescent Spring Bonds on a dollar-to-dollar basis.

A formal restructuring framework agreement will be entered into between the Company and the Investor to set out, among others, in details the terms of the subscriptions of the Cash CB, the Debt CB and the Debt Shares. The Company and the Investor expect to enter into the formal restructuring framework agreement as soon as practicable and any material variation between the terms of the restructuring framework agreement and the Term Sheet will be announced by the Company as and when appropriate.

THE CREDITORS' SCHEME

Under the Creditors' Scheme and subject to the terms thereof, the Scheme Consideration will be equivalent to the proceeds from the subscription of the Cash CB, which will be distributed to the Scheme Creditors with Admitted Claims on a pro-rata basis for their respective Admitted Claims.

IMPLICATIONS OF THE TERM SHEET UNDER THE TAKEOVERS CODE

Application for the Whitewash Waiver

As at the date of this announcement, the Investor, its controlling shareholders and parties acting in concert with any of them are not interested in any Share.

Immediately after the allotment and issue of the Debt Shares and the Investor exercises its rights to fully convert the Debt CB and the Cash CB into the Debt CB Conversion Shares and the Cash CB Conversion Shares, the Investor and the parties acting in concert with it 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, the Debt CB Conversion Shares and the Cash CB Conversion Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the date of the Investor's exercise of its conversion rights under the Debt CB and the Cash CB other than as a result of the subscription of the Debt Shares and the conversions of the Debt CB and the Cash CB). 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 Investors 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. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the SGM by way of poll and the Restructuring Transactions would be subject to the approval by more than 50% of the Independent Shareholders at the SGM by way of poll. The Executive may or may not grant the Whitewash Waiver. As it is a condition precedent to Completion in the Term Sheet that the Whitewash Waiver is granted by the Executive, the Restructuring Transactions will not proceed if the Whitewash Waiver is not granted by the Executive and/or not approved by the Independent Shareholders at the SGM.

Consent for the Special Deal

Among the Shareholders, Bright Achieve Investments Limited and Dai Xiaobing are Creditor Shareholders under the Creditors' Scheme.

As at the date of this announcement, Bright Achieve Investments Limited is interested in 719,763,500 Shares, representing approximately 21.51% of the Shares and Dai Xiaobing is interested in 158,504,000 Shares, representing approximately 4.73% of the Shares, together the Creditor Shareholders are interested in an aggregate of 878,267,500 Shares, representing approximately 26.24% of the Shares. The Creditor Shareholders will receive payments under the Creditors' Scheme if they become effective and such payments are not extended to other Shareholders. As such, the repayment of the debts to the Creditors Shareholders pursuant to the Creditors' Scheme constitute a special deal under Note 5 to Rule 25 of the Takeovers Code, and requires the consent of the Executive, provided that the independent financial adviser considers that the terms of the transactions contemplated thereunder are fair and reasonable and the transactions are approved by the Independent Shareholders at the SGM. The Company will apply to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Creditors' Scheme.

The Creditor Shareholders will be required to abstain from voting on the relevant resolutions relating to the Creditors' Scheme, the subscriptions of the Cash CB, the Debt CB and the Debt Shares, the Specific Mandate, the Whitewash Waiver and the Special Deal to be proposed at the SGM.

CLOSE OF OFFER PERIOD

Completion is conditional upon, among others, the grant of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders at the SGM and none of the conditions precedent to Completion in the Term Sheet is waivable. As such, the subscriptions of the Cash CB, the Debt CB and the Debt Shares under the Term Sheet will not proceed in the event that the Whitewash Waiver is not granted by the Executive and/or not approved by the Independent Shareholders. Therefore, for the purpose of the Takeovers Code, the offer period in relation to the subscriptions of the Cash CB, the Debt CB and the Debt Shares has closed with effect from the date of this announcement.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 23 February 2023 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 May 2023.

WARNING

Completion of the Restructuring Transactions is subject to the fulfilment of various conditions precedents of the Restructuring Transactions as set out in this announcement, including (i) the Whitewash Waiver having been granted by the Executive; and (ii) the listing of, and permission to deal in the Cash CB Conversion Shares, the Debt Shares and the Debt CB Conversion Shares having been granted by the Stock Exchange. In the event that the Whitewash Waiver and/or the listing of, and permission to deal in the Cash CB Conversion Shares, the Debt Shares and the Debt

CB Conversion Shares is not granted, the Restructuring Transactions will not become unconditional and will not proceed.

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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“acting in concert”	having the meaning as ascribed thereto under the Takeovers Code
“Acquired Crescent Spring Bonds”	the Crescent Spring Bonds to be acquired by the Investor from Crescent Spring. Immediately upon completion of such acquisition, the debts owed by the Company to Crescent Spring under the Acquired Crescent Spring Bonds will be owed by the Company to the Investor instead
“Admitted Claim(s)”	a Claim which is admitted by the Scheme Administrator in accordance with the Creditors’ Scheme
“Board”	the board of Directors
“Cash CB”	the convertible bonds to be issued by the Company to the Investor and the consideration of which will be utilised as the Scheme Consideration
“Cash CB Conversion Share(s)”	the new Share(s) to be allotted and issued by the Company to the Investor upon exercise of the conversion rights attached to the Cash CB
“Claim(s)”	any debt, liability or obligation of the Company, whether known or unknown, whether present or future, whether certain or contingent, whether liquidated or unliquidated and which includes without limitation a debt or liability to pay money or money’s worth, any liability under any statute or enactment, any liability for breach of trust, any liability in contract, tort or bailment

and any liability arising out of an obligation to make restitution which would be admissible to proof in a compulsory winding-up of the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or, if required, the Companies Act

“Company”	Sino Oil and Gas Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Completion”	the completion of the subscriptions of the Cash CB, the Debt CB and the Debt Shares
“Creditor(s)”	any person to whom or which the Company owes a Claim
“Creditor Shareholder(s)”	the Shareholder(s) and person(s) who is/are interested in the Shares who is/are also Creditor(s)
“Creditors’ Scheme”	the proposed scheme of arrangement proposed by the Company to its Creditors pursuant to the Companies Ordinance and, if required, the Companies Act on the terms that the Creditors accept in full discharge of their Claims at a rateable distribution from the Scheme Consideration with, or subject to, any modification, addition or conditions approved or imposed by the Hong Kong Court and/or the Supreme Court of Bermuda
“Crescent Spring”	Crescent Spring Investment Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands, being the legal and beneficial

owner of the Crescent Spring Bonds. Crescent Spring is an indirect wholly owned subsidiary of Huarong Overseas Chinese Asset Management Co., Ltd., which in turn is owned as to 91% by Huarong Zhiyuan Investment Management Co., Ltd., a wholly owned subsidiary of China Huarong Asset Management Co., Ltd. Crescent Spring, its holding company and parties acting in concert with any of them is not an existing Shareholder

“Crescent Spring Bonds”	the secured convertible bonds issued by the Company to Crescent Spring pursuant to the subscription agreement dated 31 May 2016 entered into between the Company as the issuer and Crescent Spring as the bondholder with maturity date on 29 September 2020. For further details, please see the announcements of the Company dated 31 May 2016, 30 September 2016, 22 March 2018, 13 July 2018, 15 August 2018 and 2 November 2018
“Debt CB”	the convertible bonds to be issued by the Company to the Investor and the consideration will be fully settled by off-setting against the outstanding debts owing by the Company to the Investor under the Acquired Crescent Spring Bonds on a dollar-to-dollar basis
“Debt CB Conversion Share(s)”	the new Share(s) to be allotted and issued by the Company to the Investor upon exercise of the conversion rights attached to the Debt CB
“Debt Share(s)”	the new Share(s) to be allotted and issued by the Company to the Investor and the consideration will be fully settled by off-setting against the outstanding debts owing by the Company to the Investor under the Acquired Crescent Spring Bonds on a dollar-to-dollar basis
“Director(s)”	the director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Court”	the High Court of Hong Kong
“Independent Shareholder(s)”	Shareholder(s) other than: (i) the Creditor Shareholders; (ii) the Shareholders who are involved in or interested in the Restructuring Transactions, the Whitewash Waiver and the Special Deal; and (iii) those who are required to abstain from voting at the SGM to consider and approve, among others, the Restructuring Transactions, the Whitewash Waiver and the Special Deal under the Takeovers Code and the Listing Rules
“Investor”	Top Resource Conservation & Environment Corp. (天壕環境股份有限公司), a company established in the People’s Republic of China with limited liability, the single largest controlling shareholder of which is Mr. Chen Zuotao who holds approximately 19.88% of the equity interest of the Investor
“Jiangxi Jovo”	Jiangxi Jovo Energy Company Limited (江西九豐能源股份有限公司), a company established in the People’s Republic of China with limited liability
“Jiangxi Jovo Term Sheet”	the conditional legally binding term sheet dated 22 February 2023 entered into between the Company and Jiangxi Jovo in respect of, among others, the Restructuring Transactions, which was terminated on 24 March 2023 pursuant to a deed of termination entered into between the Company and Jiangxi Jovo
“Listing Committee”	the listing committee of the Stock Exchange for considering application for listing and the grant of listing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Restructuring Transactions”	collectively, (i) the subscription of the Cash CB; (ii) the subscriptions of the Debt Shares and the Debt CB; and (iii) the Creditors’ Scheme
“Scheme Consideration”	the payment of cash in the amount equivalent to the proceeds from the subscription of the Cash CB
“Scheme Creditors”	any person having an Admitted Claim
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among others, the allotment and issue of the Debt Shares, the issue of the Cash CB and the Debt CB, the Specific Mandate, the Whitewash Waiver, the Special Deal and the Creditors’ Scheme
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	a specific mandate to be sought from the Independent Shareholders at the SGM to authorise the Directors to allot and issue the Debt Shares, the Debt CB Conversion Shares and the Cash CB Conversion Shares
“Special Deal”	the proposed settlement under the Creditors’ Scheme of the indebtedness due to such Creditor Shareholders, which constitutes a special deal under Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Term Sheet”	the conditional term sheet dated 24 March 2023 entered into between the Company and the Investor in respect of, among others, the Restructuring Transactions (as supplemented and amended by the supplemental term sheet dated 4 May 2023)
“Whitewash Waiver”	a waiver from the Executive 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 the Debt CB Conversion Shares and the Cash CB Conversion Shares
“%”	per cent.

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

Hong Kong, 10 May 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, Mr. Tsang Hing Bun and Ms. Wong Kai Ling; and three Independent Non-executive Directors, namely, Dr. Wang Yanbin, Dr. Dang Weihua and Mr. Wan Man Wah.

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.