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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)

CONNECTED TRANSACTION
RENEWAL OF THE LOAN

LOAN RENEWAL REQUEST NOTICE

References are made to the announcements of the Company dated 5 November 2019 and 6 December 2022 and the circulars of the Company dated 29 November 2019 and 23 December 2022 in relation to, among others, the Facility Agreement and Supplemental Facility Agreement. On 20 December 2019, Novus drew down the principal amount of US$35 million pursuant to the Facility Agreement, which was repayable in three years from the utilisation date. On 6 December 2022, Novus entered into the Supplemental Facility Agreement with Yanchang Petroleum HK, pursuant to which Yanchang Petroleum HK has agreed to renew the Loan with maturity extended to 17 January 2026. On 16 December 2025 (after trading hours), Novus (as the borrower) entered into the Loan Renewal Request Notice with Yanchang Petroleum HK (as the lender), pursuant to which Yanchang Petroleum HK has conditionally agreed to renew the Loan with maturity further extended to 17 January 2027.

IMPLICATION UNDER THE LISTING RULES

Novus is an indirect-wholly owned subsidiary of the Company in Canada. As at the date of this announcement, Yanchang Petroleum HK is the Controlling Shareholder of the Company holding 634,310,161 Shares, representing approximately 57.66% of the issued share capital of the Company. As such, Yanchang Petroleum HK is a connected person of the Company as defined under the Listing Rules. Hence, the transactions contemplated under the Loan Renewal Request Notice will constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Loan exceed 5% and the consideration exceeds HK$10,000,000, the Loan Renewal Request Notice is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Yanchang Petroleum HK is the Controlling Shareholder of the Company, Yanchang Petroleum HK shall abstain from voting in favour of the Loan Renewal Request Notice and the transactions and matters contemplated thereunder at the SGM. Save for Yanchang Petroleum HK, to the best knowledge, information and belief of the Directors, no other Shareholders or any of their respective associates have a material interest in the Loan Renewal Request Notice and the transactions and matters contemplated thereunder, and accordingly are required to abstain from voting at the SGM.

INTRODUCTION

References are made to the announcements of the Company dated 5 November 2019 and 6 December 2022 and the circulars of the Company dated 29 November 2019 and 23 December 2022 in relation to, among others, the Facility Agreement and Supplemental Facility Agreement. On 20 December 2019, Novus drew down the principal amount of US$35 million pursuant to the Facility Agreement, which was repayable in three years from the utilisation date. On 6 December 2022, Novus entered into the Supplemental Facility Agreement with Yanchang Petroleum HK, pursuant to which Yanchang Petroleum HK has agreed to renew the Loan with maturity extended to 17 January 2026. On 16 December 2025 (after trading hours), Novus (as the borrower) entered into the Loan Renewal Request Notice with Yanchang Petroleum HK (as the lender), pursuant to which Yanchang Petroleum HK has conditionally agreed to renew the Loan with maturity further extended to 17 January 2027.

THE LOAN RENEWAL REQUEST NOTICE

The principal terms of the Loan Renewal Request Notice are summarised as follows:

Utilisation Date:	18 January 2026
Principal amount:	US$35 million
Interest rate:	4.8% per annum, which shall be payable every three months from the utilisation date. If any interest payment date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next Business Day in that calendar month (if any) or the preceding Business Day
Final Repayment Date:	17 January 2027

Conditions precedent: Completion of the Loan Renewal Request Notice is subject to the following principal conditions precedent:

(1) Novus and Yanchang Petroleum HK having obtained all necessary approvals in relation to the Loan Renewal Request Notice, including but not limited to passing relevant board resolutions to approve the Loan Renewal Request Notice;

(2) Novus and Yanchang Petroleum HK having obtained all necessary approvals from the relevant regulatory authorities (including the Stock Exchange) in relation to the Loan Renewal Request Notice; and

(3) the Independent Shareholders having approved the Loan Renewal Request Notice at the SGM.

DEBENTURE

The Loan is secured by the Debenture with details summarised as follows:

Parties: (1) Novus (as borrower); and

(2) Yanchang Petroleum HK, (as lender)

Principal Sum: US$70 million

Charge: (1) first and fixed charge over all of Novus' right, title and interest, whether freehold, leasehold or other, under or in respect of the lands, in relation to the properties held by Novus from time to time;

(2) a first priority security interest to and over all of Novus' present and after-acquired personal property, tangible and intangible, in each case, of every nature and kind and wherever situate and all proceeds thereof; and

(3) a floating charge over all of Novus' property to the extent not otherwise described above (excluding any agreement, right, franchise, intellectual property, licence or permit).

INFORMATION ON THE PARTIES TO THE LOAN RENEWAL REQUEST NOTICE

Novus is a company incorporated in Canada with limited liability and is indirect-wholly owned by the Company. Novus engaged in the business of exploration, exploitation and production of oil and natural gas in Western Canada.

Yanchang Petroleum HK is a company incorporated in Hong Kong with limited liability which is directly-wholly owned by Yanchang Petroleum Group. As at the date of this announcement, Yanchang Petroleum HK is the Controlling Shareholder of the Company holding 634,310,161 Shares, representing approximately 57.66% of the issued share capital of the Company. Accordingly, the Yanchang Petroleum HK is a connected person of the Company.

The principal activities of Yanchang Petroleum HK are investment holding and trading of crude oil. The principal activities of Yanchang Petroleum Group include oil and gas exploration, engineering construction, technical research and development, equipment manufacturing, oil and gas development, petrochemical engineering, oil refining, comprehensive chemical engineering of oil, gas, coal, and salt, and pipeline transport.

REASONS FOR AND BENEFITS OF ENTERING INTO LOAN RENEWAL REQUEST NOTICE

As disclosed in the interim report of the Company for the six months ended 30 June 2025 ("**2025 Interim Report**"), in the first half of 2025, international oil prices exhibited high volatility under the influence of complex and changing geopolitical situations and tariff wars, with prices consistently fluctuating downward. Influenced by the aforesaid factors, the recovery of global economy lacked momentum, with industrial output and refined oil consumption remaining weak, further suppressing crude oil demand. In the first half of 2025, WTI crude oil prices experienced an overall volatile downward trend, declining from an average of approximately US$77 per barrel in 2024 to approximately US$68 per barrel on average for the six months ended 30 June 2025.

Novus is engaged in the business of exploration, exploitation and production of oil and natural gas in Western Canada. In the first half of 2025, faced with the continuous downward fluctuations of international crude oil prices, construction restrictions due to road closure order during the snowmelt period in spring, and tight external financing channels, Novus relied heavily on its own funds to coordinate production plans while ensuring safety and compliance, and scientifically advancing various tasks. In the first half of 2025, 0.25 new wells were drilled, 0.25 wells were fractured, and 0.25 wells were put into production. The total capital expenditure was CAD831,000, representing a significant decrease in capital investment compared to CAD3,340,000 in the same period in 2024. As performance of the oil and gas production business in Canada is highly vulnerable to volatility of international crude oil prices, the decline in international crude oil prices resulted in a loss for the oil and gas production business in Canada. Due to the impact of the decline in oil prices, the advancement of capital construction projects has been restricted, resulting in a significant

slowdown in development. As of the end of June 2025, Novus realised cumulative net oil and gas production of 263,000 barrels of oil equivalent, representing a year-on-year decrease of 37%, with sales revenue of CAD16,400,000, representing a year-on-year decrease of 50%, and a net loss of CAD4,920,000.

As at the date of this announcement, the outstanding principal amount drawn down under the Facility Agreement is US$35 million (equivalent to approximately HK$272.2 million), and Novus is required to repay all outstanding amount on or prior to 17 January 2026. In addition, on 8 August 2024, the Company (as the borrower) entered into a supplemental loan agreement with Yanchang Petroleum HK (as the lender), pursuant to which Yanchang Petroleum HK agreed to renew a secured term loan of US$22,000,000 ("**2024 Loan**") for a term of three years from 3 September 2024 with an interest rate at 5.2% per annum and the 2024 Loan is secured by the Share Charge. According to the unaudited condensed financial statement of Novus for the nine months ended 30 September 2025, the cash and net asset value of Novus were amounted to approximately CAD6.1 million (equivalent to approximately HK$34.5 million) and CAD143.6 million (equivalent to approximately HK$811.3 million) as at 30 September 2025, respectively. Although the management of Novus has approached several banks in Canada for re-financing of the Loan, such banks refuse to provide the relevant proposal upon the date of this announcement.

According to the 2025 Interim Report, the cash and bank balances of the Group were amounted to approximately HK$240 million as at 30 June 2025, of which approximately HK$189 million was maintained in the subsidiaries of the Group in the PRC, which would be used for maintaining their daily operation in the PRC, and can only be transferred to countries and regions outside the PRC through burdensome and time-consuming administrative procedures, therefore, it is not expected that the Company would have sufficient internal resources to inject into Novus to repay the outstanding principal amount of US$35 million drawn down under the Facility Agreement upon maturity.

The Company has approached several banks in Hong Kong and Canada for provision of loan financing during the year, while banks declined such provision in view of the Group's lacking of available local assets as security. The Company has also considered equity financing such as convertible bonds, placing, rights issue or open offer, and has approached three underwriters before the Latest Practicable Date with the indication that the amount that could be raised by equity financing within a short period of time is less certain than the renewal of the Loan. The Company will need to undergo a relatively lengthy process in order to (i) identify suitable investor(s), underwriter(s) and negotiate terms agreeable to the Company; and (ii) prepare the requisite compliance and legal documentation, including but not limited to subscription agreement(s), underwriting agreement(s), announcement(s), circular(s) and prospectus(es). Therefore, the Directors consider that such fund-raising exercises would be more time-consuming given the lengthy process of identifying potential placee(s) and/or underwriter(s) and might incur more transaction costs including but not limited to placing/underwriting commission.

Notwithstanding the Loan is extending to 17 January 2027 with the amount being classified as current liability in the financial statements of Novus which would result in the working capital ratio below the required level under the Facility Agreement, Yanchang Petroleum HK agreed to waive to exercise the rights of any event of default under such agreement until the final date of repayment of the Loan. The renewal of the Loan demonstrates the continuous financial support provided by the Controlling Shareholder of the Company to the Group. The terms of the Loan Renewal Request Notice, including the applicable interest rate, are entered into after arm's length negotiations between the parties and taking into account, among others, the prevailing market interest rates and practices.

Taking into account (i) the repayment of the Loan upon its maturity, (ii) the financial situation of Novus as discussed above, (iii) the cash level to be maintained for the daily operation of the Company's subsidiaries in the PRC, and (iv) the alternative funding methods tried but unsuccessfully by Novus and the Company, respectively, the Directors (excluding the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser) are of the opinion that though the Loan Renewal Request Notice is not entered in the ordinary and usual course of business, the terms of the Loan Renewal Request Notice, including the applicable interest rate, are on normal commercial terms, fair, reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Novus is a wholly-owned subsidiary of the Company in Canada. As at the date of this announcement, Yanchang Petroleum HK is the Controlling Shareholder holding 634,310,161 Shares, representing approximately 57.66% of the issued share capital of the Company. As such, Yanchang Petroleum HK is a connected person of the Company as defined under the Listing Rules. Hence, the transactions contemplated under the Loan Renewal Request Notice will constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Loan exceeds 5% and the consideration exceeds HK$10,000,000, the Loan Renewal Request Notice is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Yanchang Petroleum HK is the Controlling Shareholder of the Company, Yanchang Petroleum HK shall abstain from voting in favour of the Loan Renewal Request Notice and the transactions and matters contemplated thereunder at the SGM. Save for Yanchang Petroleum HK, to the best knowledge, information and belief of the Directors, no other Shareholders or any of their respective associates have a material interest in the Loan Renewal Request Notice and the transactions and matters contemplated thereunder, and accordingly are required to abstain from voting at the SGM.

Independent Board Committee

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to, among other things, the Loan Renewal Request Notice and the transactions and matters contemplated thereunder and on how to vote. VBG Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

SGM

The SGM will be convened by the Company to seek approval from the Independent Shareholders for the Loan Renewal Request Notice and the transactions and matters contemplated thereunder by way of poll. As at the date of this announcement, Yanchang Petroleum HK, being a substantial Shareholder holding 634,310,161 Shares representing approximately 57.66% of the existing issued share capital of the Company, is a connected person of the Company and hence Yanchang Petroleum HK will abstain from voting at the SGM.

General

A circular containing, amongst other things, (i) details of the Loan Renewal Request Notice; (ii) the recommendation of the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; and (iv) a notice of the SGM will be despatched to the Shareholders as soon as practicable, which is expected to be on or before 23 December 2025.

DEFINITION USED IN THIS ANNOUNCEMENT

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

"associate(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Board"	the board of Directors
"Business Day(s)"	any day (other than Saturday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business

"CAD"	Canadian Dollars, the lawful currency of Canada
"Company"	Yanchang Petroleum International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00346)
"connected person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Controlling Shareholder"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Debenture"	the debenture given in favour of Yanchang Petroleum HK by Novus as security for the Loan
"Director(s)"	the director(s) of the Company
"Facility Agreement"	the agreement in relation to a loan facility entered into between Novus and Yanchang Petroleum HK on 5 November 2019
"Forever Peace Investment"	Forever Peace Investment Limited (恒太投資有限公司), a company incorporated in Hong Kong with limited liability and is indirectly wholly owned by the Company
"Group"	the Company and its subsidiaries from time to time
"Henan Yanchang"	河南延長石油銷售有限公司 (Henan Yanchang Petroleum Sales Co., Limited*), a limited company incorporated under the PRC laws which is an indirect non-wholly owned subsidiary of the Company and 70% owned by the Group as at the date of this announcement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors to be established to advise the Independent Shareholders on the Loan Renewal Request Notice and the transactions and matters contemplated thereunder

"Independent Financial Adviser"	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Renewal Request Notice and the transactions and matters contemplated thereunder
"Independent Shareholders"	Shareholders other than Yanchang Petroleum HK and its respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange and as amended from time to time
"Loan"	the loan granted to Novus by Yanchang Petroleum HK in the principal amount of US$35 million drawn down by Novus pursuant to the Facility Agreement
"Loan Renewal Request Notice"	the notice in relation to the renewal of the Loan entered into between Novus and Yanchang Petroleum HK on 16 December 2025
"Novus"	Novus Energy Inc., a company incorporated in Canada with limited liability and is indirect-wholly owned by the Company
"PRC"	the People's Republic of China, which shall, for the purpose of renewal of the Loan, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Loan Renewal Request Notice and the transactions and matters contemplated thereunder
"Share(s)"	existing ordinary share(s) of HK$0.4 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Share Charge"	the share charge given by Forever Peace Investment in favour of Yanchang Petroleum HK over 70% of the issued share capital of Henan Yanchang indirectly held by the Company as security for the 2024 Loan

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Facility Agreement"	the agreement in relation to the renewal of the Loan entered into between Novus and Yanchang Petroleum HK on 6 December 2022
"Yanchang Petroleum Group"	陝西延長石油(集團)有限責任公司 (Shaanxi Yanchang Petroleum (Group) Co., Limited), a state-owned corporation registered in the PRC with limited liability, is directly 100% interested in Yanchang Petroleum HK
"Yanchang Petroleum HK"	Yanchang Petroleum Group (Hong Kong) Co., Limited (延長石油集團(香港)有限公司), a company incorporated in Hong Kong with limited liability, being a Shareholder holding 634,310,161 Shares representing approximately 57.66% of the existing issued share capital of the Company as at the date of this announcement
"US$"	United States dollar, the lawful currency of the United States of America
"%"	per cent.

For the purpose of this announcement, the exchange rate of US$0.1286 = HK$1.00 and CAD0.1770 = HK$1.00 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged, at this or any other rates.

Certain English translation of Chinese names or words in this announcement are included for information only, and are not official English translations of such Chinese names or words.

* *For identification purposes only*

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

Hong Kong, 16 December 2025

Executive Directors
Mr. Feng Yinguo *(Chairman)*
Ms. Wang Haining
Mr. Ding Jiasheng

Non-executive Director
Ms. Lu Yiwen

Independent Non-executive Directors
Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Sun Liming
Dr. Mu Guodong