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中油燃氣集團有限公司*

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 603)

MAJOR TRANSACTION PROVISION OF GUARANTEES

PROVISION OF GUARANTEES

On 20 May 2022, China Oil and Gas Investment, a wholly-owned subsidiary of the Group, entered into the Memorandum with Shandong Shengli, pursuant to which China Oil and Gas Investment has agreed to provide guarantees up to maximum amount of RMB75,000,000, RMB50,000,000, RMB100,000,000, RMB50,000,000, RMB80,000,000, RMB100,000,000, RMB100,000,000, RMB100,000,000 and RMB30,000,000 for the due performance of the repayment obligations of Shandong Shengli to the Creditor 1, Creditor 2, Creditor 3, Creditor 4, Creditor 5, Creditor 6, Creditor 7, Creditor 8 and Creditor 9, respectively.

Corporate guarantees for external bank borrowings of Shandong Shengli have been previously provided by Shandong Shengli Investment Holdings Co., Ltd.* (山東勝利投資股份有限公司), the former single largest shareholder of Shandong Shengli. Pursuant to the announcements of the Company dated 15 July 2021, 10 August 2021 and 18 October 2021, the Company has acquired 22.16% of the then existing issued shares of Shandong Shengli (including the acquisition of 6.99% of issued shares of Shandong Shengli previously owned by Shandong Shengli Investment Holdings Co., Ltd.) and the Company has become the single largest shareholder of Shandong Shengli since October 2021.

Because of the change of the single largest shareholder of Shandong Shengli, corporate guarantees for external bank borrowings of Shandong Shengli will be provided by China Oil and Gas Investment to cater for the funding requirements of Shandong Shengli for its operation of energy business in the PRC and only on normal commercial terms.

LISTING RULES IMPLICATIONS

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related.

Reference is made to the announcements of the Company dated 31 March 2022, 12 April 2022 and 29 April 2022 in relation to the provision of guarantees by China Oil and Gas Investment to the creditors of Shandong Shengli. As the provision of guarantees by China Oil and Gas Investment is for the due performance of the repayment obligations of Shandong Shengli to its creditors constitute a series of related transactions, the provision of guarantees is required to be aggregated with the Memorandum pursuant to Rule 14.22 of the Listing Rules.

Upon aggregation of the provision of guarantees of the announcements dated 31 March 2022, 12 April 2022 and 29 April 2022 and the Memorandum, the assets ratio and consideration ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amounts is 5.74% and 62.44%, respectively. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amounts of the Guarantees exceed 25% but all such percentage ratios are less than 100%, the provision of the Guarantees constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the relevant resolutions in relation to the provision of the Guarantees and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, as at the date of this announcement, no Shareholder has a material interest in the provision of the Guarantees which is different from the other Shareholders. Therefore, no Shareholder would be required to abstain from voting on the proposed resolutions in relation to the provision of the Guarantees at the SGM.

A circular containing, among other things, (i) further details of the provision of the Guarantees and the transactions contemplated thereunder; (ii) the notice convening the SGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 June 2022 as additional time is required to prepare and finalise the relevant information to be included in the circular.

PROVISION OF GUARANTEES

Reference is made to the announcements of the Company dated 31 March 2022, 12 April 2022 and 29 April 2022. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the announcements.

The Board announces that on 20 May 2022, China Oil and Gas Investment, a wholly-owned subsidiary of the Group, as guarantor, entered into the Memorandum with Shandong Shengli in favour of the Creditor 1, Creditor 2, Creditor 3, Creditor 4, Creditor 5, Creditor 6, Creditor 7, Creditor 8 and Creditor 9, pursuant to which China Oil and Gas Investment has agreed to provide guarantees up to a maximum amount of RMB75,000,000, RMB50,000,000, RMB100,000,000, RMB50,000,000, RMB80,000,000, RMB100,000,000, RMB100,000,000, RMB100,000,000 and RMB30,000,000 for the due performance of the repayment obligations of Shandong Shengli to the Creditor 1, Creditor 2, Creditor 3, Creditor 4, Creditor 5, Creditor 6, Creditor 7, Creditor 8 and Creditor 9, respectively.

Inclusive of the provision of guarantees as announced on 31 March 2022, 12 April 2022 and 29 April 2022 and the provision of guarantees under the Memorandum, China Oil and Gas Investment has agreed to provide guarantees up to an aggregate maximum amount of RMB1,105,000,000, representing assets ratio and consideration ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amounts of 5.74% and 62.44%, respectively.

Principal terms of the Memorandum:

Parties: (1) China Oil and Gas Investment (as guarantor); and
(2) Shandong Shengli

Terms: China Oil and Gas Investment agrees to provide guarantees to relevant banking and financial institutions for Shandong Shengli's loan repayment obligations, and assume joint and several liability for repayment, according to the terms of the Guarantee Agreements.

All expenses incurred by China Oil and Gas Investment in providing guarantee for any credit and loan shall be borne by Shandong Shengli.

China Oil and Gas Investment agreed to provide the guarantee for Shandong Shengli, with a guarantee fee rate of 1.5% per annum. Such guarantee fee rate is applicable to the guarantee contract signed between China Oil and Gas Investment and relevant financial institutions for Shandong Shengli's financing business from 1 January 2022 onwards, and it is calculated based on the actual guarantee amount provided by China Oil and Gas Investment for Shandong Shengli (the guarantee amount is based on the amount of the loan contract signed between the guaranteed person and the financial institutions) from the date of arrival of Shandong Shengli's financing funds until the date of actual settlement of the debt (i.e. actual guarantee days)

Conditions Precedent: The transaction contemplated under the Memorandum is conditional upon the Shareholders' approval in a general meeting of the Company in accordance with the Listing Rules being obtained and all relevant approvals have been obtained.

Principal terms of the Guarantee Agreements are as follows:

Guarantee Agreement 1:

Parties: (1) China Oil and Gas Investment (as guarantor); and
(2) the Creditor 1

Guarantee: China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB75,000,000, in favour of the Creditor 1 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 1 from the realisation of its debt and guarantee rights

Guarantee period: Guarantee Agreement 1 is effective upon execution and the guarantee period is until three years from the date when the debtor's debt performance period expires

Guarantee method: the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan agreement, Creditor 1 has the right to directly seek repayment from the guarantor

Effective date of Guarantee Agreement 1:	the Guarantee Agreement 1 shall become effective upon due execution
Guarantee Agreement 2:	
Parties:	(1) China Oil and Gas Investment (as guarantor); and (2) the Creditor 2
Guarantee:	China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB50,000,000, in favour of Creditor 2 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 2 from the realisation of its debt and guarantee rights
Guarantee period:	Guarantee Agreement 2 is effective upon execution and the guarantee period is until three years from the date when the debt performance period expires or the guarantee period under the acceptance of the bank's acceptance, the letter of credit and the letter of guarantee is three years from the date of Creditor 2's advance payment
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 2 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement 2:	the Guarantee Agreement 2 shall become effective upon due execution
Guarantee Agreement 3:	
Parties:	(1) China Oil and Gas Investment (as guarantor); and (2) the Creditor 3

Guarantee: China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB100,000,000, in favour of Creditor 3 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 3 from the realisation of its debt and guarantee rights

Guarantee period: Guarantee Agreement 3 is effective upon execution and the guarantee period is until three years from the date when the debtor's debt performance period expires

Guarantee method: the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 3 has the right to directly seek repayment from the guarantor

Effective date of Guarantee Agreement 3: the Guarantee Agreement 3 shall become effective upon due execution

Guarantee Agreement 4:

Parties: (1) China Oil and Gas Investment (as guarantor); and
(2) the Creditor 4

Guarantee: China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB50,000,000, in favour of Creditor 4 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 4 from the realisation of its debt and guarantee rights

Guarantee period:	Guarantee Agreement 4 is effective upon execution and the guarantee period is until two years from the date when the debt performance period expires or the guarantee period under the acceptance of the commercial bills and the letter of guarantee is two years from the date of Creditor 4's advance payment
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 4 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement 4:	the Guarantee Agreement 4 shall become effective upon due execution
Guarantee Agreement 5:	
Parties:	(1) China Oil and Gas Investment (as guarantor); and (2) the Creditor 5
Guarantee:	China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB80,000,000, in favour of Creditor 5 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 5 from the realisation of its debt and guarantee rights
Guarantee period:	Guarantee Agreement 5 is effective upon execution and the guarantee period is until three years from the date when the debtor's debt performance period expires
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 5 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement 5:	the Guarantee Agreement 5 shall become effective upon due execution

Guarantee Agreement 6:

- Parties: (1) China Oil and Gas Investment (as guarantor); and
(2) the Creditor 6
- Guarantee: China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB100,000,000, in favour of Creditor 6 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 6 from the realisation of its debt and guarantee rights
- Guarantee period: from execution date of Guarantee Agreement 6 until three years from the date when the debt performance period expires
- Guarantee method: the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 6 has the right to directly seek repayment from the guarantor
- Effective date of Guarantee Agreement 6: the Guarantee Agreement 6 shall become effective upon due execution

Guarantee Agreement 7:

- Parties: (1) China Oil and Gas Investment (as guarantor); and
(2) the Creditor 7
- Guarantee: China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB100,000,000, in favour of Creditor 7 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 7 from the realisation of its debt and guarantee rights

Guarantee period:	from execution date of Guarantee Agreement 7 until three years from the date when the debt performance period expires
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 7 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement 7:	the Guarantee Agreement 7 shall become effective upon due execution
Guarantee Agreement 8:	
Parties:	(1) China Oil and Gas Investment (as guarantor); and (2) the Creditor 8
Guarantee:	China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB100,000,000, in favour of Creditor 8 for the due performance of Shandong Shengli's repayment obligations under the loan agreement, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by Creditor 8 from the realisation of its debt and guarantee rights
Guarantee period:	Guarantee Agreement 8 is effective upon execution and the guarantee period is until three years from the date when the debtor's debt performance period expires
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 8 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement 8:	the Guarantee Agreement 8 shall become effective upon due execution

Guarantee Agreement 9:

Parties:	(1) China Oil and Gas Investment (as guarantor); and (2) the Creditor 9
Guarantee:	China Oil and Gas Investment, as guarantor, shall agree to provide guarantee up to a maximum amount of RMB30,000,000, in favour of the Creditor 9 for the due performance of Shandong Shengli's repayment obligations under the loan contract, including but not limited to that with respect to the principal amount, interests, penalty interests, default penalties, compensations and other expenses incurred by the Creditor 9 from the realisation of its debt and guarantee rights
Guarantee period:	Guarantee Agreement 9 is effective upon execution and the guarantee period is until two years from the date when the debt performance period expires or the guarantee period under the acceptance of the bank's acceptance and the letter of guarantee is two years from the date of Creditor 9's advance payment
Guarantee method:	the guarantee method is joint liability guarantee. When Shandong Shengli fails to perform the repayment obligation as stipulated in the loan contract, Creditor 9 has the right to directly seek repayment from the guarantor
Effective date of Guarantee Agreement:	the Guarantee Agreement 9 become effective upon due execution

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEES

Corporate guarantees for external bank borrowings of Shandong Shengli have been previously provided by Shandong Shengli Investment Holdings Co., Ltd.* (山東勝利投資股份有限公司), the former single largest shareholder of Shandong Shengli. Pursuant to announcements of the Company dated 15 July 2021, 10 August 2021 and 18 October 2021, the Company has acquired 22.16% of the then existing issued shares of Shandong Shengli (including the acquisition of 6.99% of issued shares of Shandong Shengli previously owned by Shandong Shengli Investment Holdings Co., Ltd.) and the Company has become the single largest shareholder of Shandong Shengli since October 2021.

Because of the change of the single largest shareholder of Shandong Shengli, corporate guarantees for external bank borrowings of Shandong Shengli will be provided by China Oil and Gas Investment to cater for the funding requirements of Shandong Shengli for its operation of energy business in the PRC and only on normal commercial terms. Providing guarantees to Shandong Shengli can (i) facilitate the loan approval process which can be completed more smoothly for Shandong Shengli and (ii) maintain healthy long-term development relationship with financial institutions. The Directors (including independent non-executive Directors) consider that the provision of the Guarantees is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaging in investment in energy related business in various regions in the PRC and West Central Alberta, Canada. China Oil and Gas Investment is a wholly-owned subsidiary of the Group.

Shandong Shengli

Shandong Shengli is a company limited by shares established in the PRC whose issued shares are listed and traded on the main board of the Shenzhen Stock Exchange. As at the date of this announcement, Shandong Shengli is indirectly owned as to 22.16% by the Company and the Company has become the single largest shareholder of Shandong Shengli.

Creditor 1

Creditor 1 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 1 is Zhejiang Financial Holding Co., Ltd.* (浙江省金融控股有限公司), an Independent Third Party, which holds approximately 12.49% equity interests in the Creditor 1.

Creditor 2

Creditor 2 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 2 is Shandong Expressway Group Co., Ltd.* (山東高速集團有限公司), an Independent Third Party, which holds approximately 20% equity interests in the Creditor 2.

Creditor 3

Creditor 3 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 3 is Rizhao Port Group Co., Ltd.* (日照港集團有限公司), an Independent Third Party, which holds approximately 17.01% equity interests in the Creditor 3.

Creditor 4

Creditor 4 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 4 is Intesa Sanpaolo S.p.A (義大利聯合聖保羅銀行), an Independent Third Party, which holds approximately 17.5% equity interests in the Creditor 4.

Creditor 5

Creditor 5 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 5 is Jining Finance Bureau * (濟寧市財政局), an Independent Third Party, which holds approximately 20.26% equity interests in the Creditor 5.

Creditor 6

Creditor 6 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 6 is Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), an Independent Third Party, which holds approximately 49.56% equity interests in the Creditor 6.

Creditor 7

Creditor 7 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 7 is China Merchants Ship Co., Ltd.* (招商局輪船有限公司), an Independent Third Party, which holds approximately 13.04% equity interests in the Creditor 7.

Creditor 8

Creditor 8 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 8 is Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), an Independent Third Party, which holds approximately 16.79% equity interests in the Creditor 8.

Creditor 9

Creditor 9 is a licensed bank established under the laws of the PRC which is principally engaged in banking and financial services. The largest shareholder of the Creditor 9 is Taian Dianshi Asset Management Co., Ltd.* (泰安點石資產管理有限公司), an Independent Third Party, which holds approximately 21.9% equity interests in the Creditor 9.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Shandong Shengli, Creditor 1, Creditor 2, Creditor 3, Creditor 4, Creditor 5, Creditor 6, Creditor 7, Creditor 8 and Creditor 9 and their respective ultimate beneficial owner(s) are Independent Third Parties of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related.

Reference is made to the announcements of the Company dated 31 March 2022, 12 April 2022 and 29 April 2022 in relation to the provision of guarantees by China Oil and Gas Investment to the creditors of Shandong Shengli. As the provision of guarantees by China Oil and Gas Investment is for the due performance of the repayment obligations of Shandong Shengli to its creditors constitute a series of related transactions, the provision of guarantees is required to be aggregated with the Memorandum pursuant to Rule 14.22 of the Listing Rules.

Upon aggregation of the provision of guarantees of the announcements dated 31 March 2022, 12 April 2022 and 29 April 2022 and the provision of guarantees under the Memorandum, the assets ratio and consideration ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amounts is 5.74% and 62.44%, respectively. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amounts of the Guarantees exceed 25% but all such percentage ratios are less than 100%, the provision of the Guarantees constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the relevant resolutions in relation to the provision of the Guarantees and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, as at the date of this announcement, no Shareholder has a material interest in the provision of the Guarantees which is different from the other Shareholders. Therefore, no Shareholder would be required to abstain from voting on the proposed resolutions in relation to the provision of the Guarantees at the SGM.

A circular containing, among other things, (i) further details of the provision of the Guarantees and the transactions contemplated thereunder; (ii) the notice convening the SGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 June 2022 as additional time is required to prepare and finalise the relevant information to be included in the circular.

DEFINITIONS

“Board”	the board of Directors of the Company
“China Oil and Gas Investment”	China Oil and Gas Investment Group Company Limited* (中油燃氣投資集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Group
“Company”	China Oil And Gas Group Limited (中油燃氣集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 603
“Creditor 1”	China Zheshang Bank Co., Ltd.* (浙商銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 1
“Creditor 2”	Laishang Bank Co., Ltd.* (萊商銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 2

“Creditor 3”	Bank of Rizhao Co., Ltd.* (日照銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 3
“Creditor 4”	Bank Of Qingdao Co.,Ltd.* (青島銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 4
“Creditor 5”	Jining Bank Co., Ltd.* (濟寧銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 5
“Creditor 6”	Ping An Bank Co. Ltd.* (平安銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 6
“Creditor 7”	China Merchants Bank Co., Ltd.* (招商銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 7
“Creditor 8”	China Minsheng Bank Corp., Ltd.* (中國民生銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 8
“Creditor 9”	Taian Bank Co., Ltd (泰安銀行股份有限公司), a licensed bank established under the laws of the PRC, being the lender under the loan agreement and the creditor under the Guarantee Agreement 9
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee(s)”	the guarantee(s) provided by China Oil and Gas Investment to creditor(s) pursuant to the Guarantee Agreements and Memorandum

“Guarantee Agreements”	collectively, Guarantee Agreement 1, Guarantee Agreement 2, Guarantee Agreement 3, Guarantee Agreement 4, Guarantee Agreement 5, Guarantee Agreement 6, Guarantee Agreement 7, Guarantee Agreement 8 and Guarantee Agreement 9
“Guarantee Agreement 1”	the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 1, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB75,000,000 in favour of the Creditor 1 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 1
“Guarantee Agreement 2”	the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 2, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB50,000,000 in favour of the Creditor 2 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 2
“Guarantee Agreement 3”	the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 3, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB100,000,000 in favour of the Creditor 3 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 3
“Guarantee Agreement 4”	the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 4, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB50,000,000 in favour of the Creditor 4 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 4

- “Guarantee Agreement 5” the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 5, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB80,000,000 in favour of the Creditor 5 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 5
- “Guarantee Agreement 6” the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 6, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB100,000,000 in favour of the Creditor 6 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 6
- “Guarantee Agreement 7” the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 7, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB100,000,000 in favour of the Creditor 7 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 7
- “Guarantee Agreement 8” the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 8, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB100,000,000 in favour of the Creditor 8 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 8

“Guarantee Agreement 9”	the guarantee agreement proposed to be entered into between China Oil and Gas Investment and Creditor 9, pursuant to which, China Oil and Gas Investment shall agree to provide the guarantee up to a maximum amount of RMB30,000,000 in favour of the Creditor 9 as security for the repayment obligations of Shandong Shengli under the loan agreement to be entered into between Shandong Shengli and Creditor 9
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) and is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	a memorandum dated 20 May 2022 entered into between China Oil and Gas Investment (as guarantor) and Shandong Shengli, pursuant to which China Oil and Gas Investment agrees to provide guarantees to relevant banking and financial institutions for Shandong Shengli’s loan repayment obligations, and assume joint and several liability for repayment, according to the terms of the Guarantee Agreements
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of Shareholders for the purpose of considering, and if thought fit, approving, among other things, the provision of Guarantees
“Shandong Shengli”	Shandong Shengli Co., Ltd. (山東勝利股份有限公司), a company limited by shares established in the PRC whose issued shares are listed and traded on the main board of the Shenzhen Stock Exchange, as the date of this announcement, is owned as to 22.16% by the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board
China Oil And Gas Group Limited
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 20 May 2022

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xu Tieliang (Chairman and Chief Executive Officer), Ms. Guan Yijun, Mr. Gao Falian and Ms. Xu Ran; and three independent non-executive Directors, namely Mr. Wang Wenhua, Mr. Wang Guangtian and Mr. Yang Jie.

* *For identification purpose only*