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(Incorporated in Bermuda with limited liability)

(Stock Code: 702)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of Sino Oil and Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information provided in the Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information regarding i) impairment loss of HK\$388.9 million recognized in relation to Sanjiao CBM Project for the year (the “**Impairment**”) and ii) the ageing analysis of the outstanding loans in relation to the Group’s financial services business, as set out in this announcement.

(i) Impairment

In addition to the note 16 to the consolidated financial statements, under the heading “Impairment assessment” on page 137 of the Annual Report, supplemental information on the Impairment is provided as follows:

The Company recorded an impairment loss of approximately HK\$388.9 million regarding Sanjiao CBM Project in the Annual Report. The Impairment was recognized mainly due to the lack of sufficient funding for the development of Sanjiao CBM Project.

In about the third quarter of 2022, the Group intended to apply for an additional facility of RMB200 million from the existing project financier to Sanjiao CBM Project in order to carry out the development plan of Sanjiao CBM Project in 2023 to 2025. However, in early 2023, the Group was advised that the application would require additional time to process and negotiate. In light of the financial burden of the Group, it was not possible for the Group to provide additional source of fund for Sanjiao CBM Project within a short period of time. Further, there is still uncertainty if the Group’s proposed restructuring exercise, as disclosed in the announcement dated 23 March 2023, can be materialized. After considering the above factors, the Company has decided to extend the period of the development plan of Sanjiao CBM Project. Normal operation and regular development of the field will not be affected and will be financed internally by funds and revenue generated by Sanjiao CBM Project as usual. The above situation has been closely communicated

with both the Company's auditor and valuer. Impairment assessment of Sanjiao CBM Project has been taken into consideration of the revised development plan of Sanjiao CBM Project, the Group's existing financial burden and other relevant factors. With reference to the valuation report of Sanjiao CBM Project as at 31 December 2022 produced by an independent valuer, impairment was made accordingly.

As disclosed in the Annual Report, the impairment review on estimating the recoverable amount of Sanjiao CBM Project as at 31 December 2022 was based on value-in-use calculation. Same valuation method on Sanjiao CBM Project has been consistently adopted in previous reporting periods. Save as disclosed above, there are no significant changes in the value of inputs and assumptions from those previously adopted.

(ii) Ageing analysis of the outstanding loans in relation to the Group's financial services business

In addition to the note 25 to the consolidated financial statements on page 156 of the Annual Report, supplemental information on the ageing analysis of the outstanding loans advanced to a provincial hospital in the PRC, is provided as follows:

	31.12.2022
	HK\$'000
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Loans receivable within one year	7,093
More than one year, but not exceeding two years	4,900
More than two years, but not exceeding three years	4,523
More than three years, but not exceeding four years	2,544
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	19,060
Loans receivable within one year included in current assets	(7,093)
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Non-current portion	11,967
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By Order of the Board
Sino Oil and Gas Holdings Limited
Dai Xiaobing
Chairman

Hong Kong, 5 September 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.