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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 2023

Reference is made to the annual report of Sino Oil and Gas Holdings Limited (the “**Company**”) for the year ended 31 December 2023 (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 of directors (the “**Board**”) of the Company would like to provide further details regarding i) Loans Receivable, as disclosed in note 25 to the consolidated financial statements; and ii) impairment loss of HK\$866.8 million recognized in relation to Sanjiao CBM Project for the year (the “**Impairment**”).

(i) Loans Receivable

Regarding the total outstanding loans receivable of HK\$21,774,000 as at 31 December 2023 as disclosed in note 25 to the consolidated financial statements on page 145 of the Annual Report, none of the respective loans are provided with collateral or have any guarantees obtained.

(ii) Impairment

The Company recorded an impairment loss of approximately HK\$866.8 million regarding Sanjiao CBM Project (the “**Project**”) in the Annual Results. We would like to provide further details regarding the factors attributable to the Impairment.

As disclosed in Management Discussion and Analysis and note 16 to the consolidated financial statements in the Annual Report, due to ongoing uncertainty around the timeline for completion of the restructuring transactions and a lack of funding, the Company has been required to further extend the development timeline of the Project. Compared to the 5-year development plan proposed in 2022, the forecasted production volume for the first 3 years in the revised development plan of the Project as proposed in 2023, has been downsized by up to 45%. The production volume is expected to catch up at a later stage. This significant revision to the production timeline has severely impacted the present value of the Project.

In addition to the revised production timeline, the anticipated changes to the gas price growth rate (from 3% to 2%), has also contributed to the decrease in the fair value of the Project. As a result of the decrease in forecasted production and the anticipated change to the gas price growth rate, the 5-year aggregated forecasted revenue attributable to the Company has been decreased by 23% (from RMB5,483 million to RMB4,240 million). This decrease has, in turn, contributed to the increase in the impairment made in 2023.

Other than those stated above, there is no other significant factors attributable to the Impairment.

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

Hong Kong, 10 September 2024

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, Dr. 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.