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# **中國油氣控股有限公司**

## **SINO OIL AND GAS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 702)

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 12 October 2018 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 557,560,000 Subscription Shares at a price of HK\$0.168 per Subscription Share.

The Subscription Shares represent approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The net proceeds will be approximately HK\$93,170,080. Approximately 95% of which are intended to be used for repayment of certain financial obligations and the remaining balance will be as working capital of the Group.

### **THE SUBSCRIPTIONS**

#### **Introduction**

On 12 October 2018 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 557,560,000 Subscription Shares at a price of HK\$0.168 per Subscription Share. The number of Shares to be subscribed by each of the two Subscribers is 278,780,000 Shares and the terms of each of the Subscription Agreements are the same.

## **The Subscription Agreements**

Date: 12 October 2018 (after trading hours)

### **Parties:**

- (i) The Company; and
- (ii) Mr. Wong Chun Chau (being Subscriber I) and Mr. Zhuo Kun (being Subscriber II) as the Subscribers.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscribers are Independent Third Parties.

### **The Subscription Shares**

Subscription Shares represent approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Subscription Price**

HK\$0.168 per Subscription Share, which was arrived at after arm's length negotiation among the Company and the Subscribers with reference to the market condition and the prevailing market price of the Shares.

The Subscription Price represents:

- (i) a discount of approximately 10.16% to the closing price of HK\$0.187 per Share as quoted on the Stock Exchange on 12 October 2018, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 16.83% to the average of the closing prices of HK\$0.202 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

### **General Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the General Mandate and is not subject to Shareholders' approval. The Company is authorised to allot, issue or otherwise deal with up to 557,575,813 new Shares under the general mandate. As at the date of this announcement, no new Shares have been issued under such general mandate.

### **Ranking**

The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing Shares in issue as at the date of issue of the Subscription Shares. Application will be made to the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

## **Conditions**

The Subscriptions are subject to and conditional upon the following:

1. the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in all the Subscription Shares;
2. all other Consents of the Stock Exchange, the SFC and any other applicable governmental or regulatory authorities or any other third party which are required or appropriate for the entering into and the implementation of the Subscription Agreements having been given; and all applicable statutory and legal obligations, all applicable securities regulations and all requirements of the applicable authorities having been complied with; and
3. the Shares remaining listed and traded on the Stock Exchange at all times from the dates of the Subscription Agreements up to the Completion Date, save for any temporary suspension not exceeding seven consecutive trading days (other than any temporary suspension relating to the clearance of any announcement in respect of the Subscription Agreements), or such longer period as the Subscribers may accept; and no indication being received on or before the Completion Date from the Stock Exchange and/or the SFC to the effect that the listing of the Shares or the Subscription Shares (as the case may be) on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Completion or in connection with the terms of the Subscription Agreements.

Completion is expected to take place on or before the fifth Business Day after all the conditions precedent of the Subscription Agreements having been fulfilled (or such other date as the parties thereto the Subscription Agreements may agree in writing). The Subscriptions are not required to be approved by the Shareholders.

In the event that the conditions of the Subscriptions are not fulfilled on or before 23 October 2018 or such other date as may be agreed between the parties to the corresponding Subscription Agreements, the Subscription Agreements shall cease and determine and neither the Company nor the Subscribers shall have any obligations and liabilities under the Subscription Agreements.

It should be noted that the Subscription Agreements are not inter-conditional.

## Effects of the Subscription

Shareholders	As at the date of this announcement		Immediately upon Completion	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Dai Xiaobing ( <i>Note 1</i> )	158,504,000	5.68	158,504,000	4.74
King Hap Lee ( <i>Note 2</i> )	10,000,000	0.36	10,000,000	0.30
Wan Tze Fan Terence	3,366,000	0.12	3,366,000	0.10
<b>Substantial shareholder</b>				
Bright Achieve Investments Limited ( <i>Note 3</i> )	719,763,500	25.82	719,763,500	21.51
Wong Ka Wai Vivian	398,000,000	14.28	398,000,000	11.90
Lai Chun Lam	398,000,000	14.28	398,000,000	11.90
<b>Public Shareholders:</b>				
Subscriber I	-	-	278,780,000	8.33
Subscriber II	-	-	278,780,000	8.33
Other public Shareholders	1,100,245,569	39.46	1,100,245,569	32.89
<b>Total</b>	<b>2,787,879,069</b>	<b>100.00</b>	<b>3,345,439,069</b>	<b>100.00</b>

- Notes: 1. 85,119,500 shares are owned by Sino Oil and Gas Resources Investments Limited, a company wholly and beneficially owned by Dr. Dai Xiaobing. In addition, Dr. Dai Xiaobing beneficially owns 73,384,500 Shares.
2. 10,000,000 Shares are owned by Wai Tech Limited, a company wholly owned by Petromic Corporation which in turn is wholly and beneficially owned by Mr. King Hap Lee.
3. Bright Achieve Investments Limited (“**Bright Achieve**”) is wholly-owned by Kingkey Investment Group Limited which in turn is owned as to 50% by each of Mr. Chen Jiarong and Mr. Chen Jiajun, being the sons of Mr. Chen Hua, a non-executive Director.

### Reasons for the Share Subscription and use of proceeds

The Group is principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal and (iii) exploitation and sale of crude oil and natural gas; and (iv) provision of financial services. The Directors consider that the Subscriptions represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the Subscription Agreements are fair and reasonable and the Subscriptions are in the interest of the Company and the Shareholders as a whole.

The gross proceeds raised from the Subscriptions will be HK\$93,670,080, and the net proceeds will be approximately HK\$93,170,080. Approximately 95% of which are intended to be used for repayment of certain financial obligations and the remaining balance will be as working capital of the Group.

The net Subscription Price will be about HK\$0.1671 per Share.

### **Fund raising activities of the Company within 12 months prior to the date of this announcement**

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

<b>Date of initial announcement</b>	<b>Date of completion</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
26 January 2018	12 March 2018	Placing of new Shares	HK\$178 million	(i) as to approximately HK\$90 million for settling the outstanding loans of the Group; (ii) as to approximately HK\$80 million for partial settlement of the principal and interest of certain convertible notes of the Company; and (iii) as to the remaining balance of approximately HK\$8 million as working capital of the Group	(i) as to approximately HK\$90 million for settling the outstanding loans of the Group; (ii) as to approximately HK\$80 million for partial settlement of the principal and interest of certain convertible notes of the Company; and (iii) as to the remaining balance of approximately HK\$8 million as working capital of the Group
21 June 2018	9 July 2018	Placing of new Shares	HK\$143 million	For repayment of certain financial obligations and working capital of the Group	(i) as to approximately HK\$128 million for partial settlement of the principal and interest of certain convertible notes of the Company; (ii) as to approximately HK\$3 million for settling the outstanding loans of the Group; and (iii) the remaining balance as working

27 June 2018	10 July 2018	Placing of new Shares	HK\$119 million	For repayment of certain financial obligations and working capital of the Group	capital of the Group (i) as to approximately HK\$42 million for settling the outstanding loans of the Group; (ii) as to approximately HK\$72 million for settlement of the principal and interest of certain convertible notes of the Company; and (iii) the remaining balance as working capital of the Group
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## DEFINITIONS

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

“ <b>Board</b> ”	the board of Directors
“ <b>Business Day</b> ”	a day (excluding Saturdays and Sundays) on which banks are generally open for business in Hong Kong
“ <b>Company</b> ”	Sino Oil and Gas Holdings Limited (Stock Code: 702), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“ <b>Completion</b> ”	the completion of each of the Subscription Agreements
“ <b>Completion Date</b> ”	the actual date of completion of each of the Subscriptions pursuant to the Subscription Agreements
“ <b>Consent(s)</b> ”	including any license, consent, approval, authorization, permission, waiver, order or exemption
“ <b>Director(s)</b> ”	director(s) of the Company
“ <b>General Mandate</b> ”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the special general meeting of the Company held on 17

September 2018

<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Third Parties”</b>	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is/are third party(ies) independent of the Company and the connected persons of the Company (as defined in the Listing Rules)
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“SFC”</b>	the Securities and Futures Commission
<b>“Shareholders”</b>	holders of the issued Shares
<b>“Shares”</b>	ordinary shares of HK\$0.10 each in the share capital of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscriber I”</b>	Mr. Wong Chun Chau
<b>“Subscriber II”</b>	Mr. Zhuo Kun
<b>“Subscribers”</b>	Subscriber I and Subscriber II, Independent Third Parties who entered into the Subscription Agreements respectively, collectively refer to the Subscribers
<b>“Subscriptions”</b>	the subscriptions for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements, collectively refer to the Subscriptions
<b>“Subscription Agreements”</b>	the agreement dated 12 October 2018 entered into between the Company and the Subscribers respectively, collectively refer

to the Subscription Agreements

**“Subscription Price”** the subscription price of HK\$0.168 per Subscription Share

**“Subscription Shares”** an aggregate of 557,560,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements

**“HK\$”** Hong Kong dollars, the lawful currency of Hong Kong

**“%”** per cent.

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

Hong Kong, 12 October 2018

*As at the date of this announcement, the Board comprises three Executive Directors, namely, Dr. Dai Xiaobing, Mr. King Hap Lee and Mr. Wan Tze Fan Terence; four Non-executive Directors, namely, Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng and Ms. Chai Lin, and four Independent Non-executive Directors, namely, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.*