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(Incorporated in the Bermuda with limited liability)
(Stock Code: 702)

**MEMORANDUM OF UNDERSTANDING
IN RESPECT OF
THE POSSIBLE ACQUISITION OF
THE TARGET COMPANIES**

The Board is pleased to announce that on 14 June 2019, the Company, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

The Board wishes to emphasise that the MOU is not legally binding and the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 14 June 2019, the Company, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

THE MOU

Date: 14 June 2019

Parties: Vendor: 重慶盛焰能源股份有限公司 (Chongqing Shengyan Energy Company Limited[#])

Purchaser: Sino Oil and Gas Holdings Limited

The Vendor is principally engaged in comprehensive utilisation, research and development and production of urban natural gas. The Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Company and its subsidiaries are principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, (iii) exploitation and sale of crude oil and natural gas and (iv) provision of financial services in China.

Assets to be acquired

Pursuant to the MOU, it is proposed that the Company (or its wholly-owned subsidiary) will acquire 51% of the equity interests of the Target Companies from the Vendor.

As at the date of this announcement, the Vendor is the beneficially owner of more than 51% of the equity interests in the Target Companies. The Target Companies are located in Zunyi City, Guizhou or Xin County, Henan and are principally engaged in investment, construction and operation of urban gas pipeline infrastructure facilities.

Consideration

The consideration for the Possible Acquisition shall be subject to further negotiation between the parties to the MOU. The consideration for the Possible Acquisition will be settled by the Company by way of cash, issue of consideration shares, convertible bonds, promissory notes or any combination of the above or such other payment methods as agreed between the parties to the MOU.

Formal Agreement

The Company and the Vendor will proceed with further negotiation for the entering into of the Formal Agreement as soon as possible and in any event within 60 days from the date of the MOU (or such later date to be agreed by the parties to the MOU).

It is also agreed that the Vendor will not negotiate with any party (other than the Company) on the Possible Acquisition during the Exclusive Period.

The MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Possible Acquisition and shall create no legal and binding obligations on the parties thereto save as otherwise specified therein. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

The Board wishes to emphasise that the MOU is not legally binding and the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

DEFINITIONS

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

“Board”	board of the Directors
“Company”	Sino Oil and Gas Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Exclusive Period”	a period of 60 days from the date of the MOU during which the Vendor shall not, and shall procure the directors, officers, employees, representatives and agents of the Vendor and/or the Target Companies shall not, negotiate with any other party relating to the Possible Acquisition
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Company (or its wholly-owned subsidiary) and the Vendor in relation to the Possible Acquisition
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 14 June 2019 entered into between the Company and the Vendor in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of certain equity interest in the Target Companies by the Company (or its wholly-owned subsidiary) from the Vendor as contemplated under the MOU
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the Share(s) from time to time

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	four companies established in the PRC
“Vendor”	重慶盛焰能源股份有限公司 (Chongqing Shengyan Energy Company Limited [#]), a company established in the PRC
“%”	per cent.

[#] *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 14 June 2019

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; three Non-executive Directors, namely, Mr. Chen Hua, Mr. Huang Shaowu and Ms. Chai Lin, and three Independent Non-executive Directors, namely, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.