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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)

LETTER OF INTENT

This announcement is made by China Oil And Gas Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 27 October 2025, China Oil and Gas Investment Group Company Limited* (中油燃氣投資集團有限公司) (“**China Oil Investment**”), Tiandalitong New Energy (Zhuhai) Co., Ltd.*, (天達利通新能源（珠海）有限公司) (“**Tiandalitong**”), China City Natural Gas Investment Group Co., Ltd. (中油中泰燃氣投資集團有限公司) (“**CCNG**”) and Shandong Shengli Co., Ltd. (山東勝利股份有限公司) (“**Shengli Share**”) entered into an agreement of intent of asset acquisition by way of share issuance and cash payment (the “**Letter of Intent**”), pursuant to which Shengli Share intends to acquire the equity interests of certain subsidiaries held by the Group by way of share issuance and cash payment (the “**Proposed Transactions**”).

The Proposed Transactions comprise of the acquisitions of equity interests of the following companies by Shengli Share:

- (1) 100% equity interests of China Oil and Gas (Zhuhai Hengqin) Company Limited* (中油燃氣（珠海橫琴）有限公司) (“**China Oil Zhuhai**”) held by China Oil Investment;
- (2) 100% equity interests of Tiandashengtong New Energy (Zhuhai) Co., Ltd.* (天達勝通新能源（珠海）有限公司) (“**Tiandashengtong**”) held by Tiandalitong;

- (3) 51% equity interests of Nantong Oil & Gas Co., Ltd.* (南通中油燃氣有限責任公司) (“**Nantong Oil**”) held by CCNG; and
- (4) 40% equity interests of Qinghai China Oil Ganhe Industrial Park Gas Co., Ltd.* (青海中油甘河工業園區燃氣有限公司) (“**Ganhe China Oil**”) held by CCNG.

China Oil Zhuhai, Tiandashengtong, Nantong Oil and Ganhe China Oil are collectively referred to as the “Target Companies”.

The Proposed Transactions shall be conditional upon the fulfilment of the following conditions:

- (1) Shengli Share conducted formal due diligence on the Target Companies, and the results of due diligence do not include any circumstances that have a material impact on the Proposed Transactions;
- (2) The Target Companies completed the internal decision-making procedures in respect of the Proposed Transactions;
- (3) The Board and general meetings of Shengli Share considered and approved the relevant resolutions of the Proposed Transactions;
- (4) Shengli Share has obtained approvals from relevant regulatory authorities in respect of the Proposed Transactions;
- (5) The Proposed Transactions has completed other necessary approvals, authorizations, filings and permits.

Upon the fulfilment of the above conditions, the parties will execute a definitive agreement to finalise the conditions and terms of the Proposed Transactions. The consideration of the Proposed Transactions shall be determined by negotiations among the parties with reference to the valuations of the Target Companies.

INFORMATION OF THE PARTIES

The Group is mainly engaged in natural gas investment and energy-related businesses. With the mission of “developing clean energy, creating a better life”, the Group has been deeply involved in the energy field for more than 20 years.

Shengli Share is a joint stock company established in the PRC. Its issued shares are listed and traded on the main board of the Shenzhen Stock Exchange (stock code: 000407), which are held as to approximately 22.16% by the Group.

China Oil Investment is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Group. It is mainly engaged in investment holding.

CCNG is a limited liability company incorporated in the PRC which is held as to 51% by the Group. It is mainly engaged in investment holding.

China Oil Zhuhai is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Group. It is mainly engaged in investment holding.

Tiandashengtong is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Group. It is mainly engaged in investment holding.

Nantong Oil is a limited liability company incorporated in the PRC which is held as to 51% by CCNG and 49% by China Oil Zhuhai. It is mainly engaged in the trading of natural gas and gas pipeline construction.

Ganhe China Oil is a limited liability company incorporated in the PRC which is held as to 40% by CCNG and 40% by China Oil Zhuhai. It is mainly engaged in the trading of natural gas and gas pipeline construction.

GENERAL

Upon the completion of the Proposed Transactions, it is expected that Shengli Share will hold/control (i) 100% equity interests of China Oil Zhuhai; (ii) 100% equity interests of Tiandashengtong; (iii) 80% equity interests of Ganhe China Oil; and (iv) 100% equity interests of Nantong Oil.

The Letter of Intent represents a preliminary intent of the parties regarding the Proposed Transactions. Save for, among other things, the confidentiality obligations, the liabilities for breach of contract, and the effect and termination of the Letter of Intent, the Letter of Intent is a non-legally binding agreement, and do not create any legal liability to any of the parties in any respect. The Proposed Transactions within the Letter of Intent, if materialise, may constitute a notifiable transaction of the Company under Chapter 14 of the Rules

Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). If the parties enter into a definitive agreement, or if there are any material developments with respect to the Proposed Transactions, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Shareholders and/or investors of the Company should note that the Proposed Transactions within the Letter of Intent may or may not materialise as no formal binding documentation has been executed between the parties and negotiations are still in progress. Shareholders and/or investors of the Company are advised to exercise caution when dealing in the Company’s securities.

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

Hong Kong, 27 October 2025

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 Ms. Liu Zhihong, Mr. Wang Guangtian and Mr. Yang Jie.

* *For identification purposes only*