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**中港石油有限公司\***

**CHK OIL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 632)**

## **DISCLOSURE PURSUANT TO RULES 13.13, 13.14 AND 13.15 OF THE LISTING RULES**

### **THE ANDA PURCHASE AGREEMENTS AND THE ANDA TRADE DEPOSIT**

During the period between 16 November 2023 to 3 September 2025, Palm Energy (a direct wholly-owned subsidiary of the Company) entered into the Anda Purchase Agreements with Anda for the purchase of oil related products in the aggregate amount of RMB239,476,733, of which Palm Energy had taken delivery of oil related products with value equivalent to RMB226,367,183. On 1 March 2024, Anda refunded the outstanding balance of RMB109,550 from the Anda Trade Deposit to Palm Energy due to a difference between the quantity of the oil related products delivered and the quantity corresponding to the trade deposits paid. As at the date of this announcement, an amount of RMB12,500,000 of the Anda Trade Deposit remained unutilised.

### **THE SONGYUAN PURCHASE FRAMEWORK AGREEMENT AND THE SONGYUAN TRADE DEPOSIT**

On 16 April 2022, Palm Energy (a direct wholly-owned subsidiary of the Company) and Songyuan entered into the Songyuan Purchase Framework Agreement pursuant to which Palm Energy agreed to purchase and Songyuan agreed to supply tentatively 100,000 tons of condensate oil based on the international oil prices at the material time on or before 31 December 2022.

During the period from 18 April 2022 to 25 May 2022, Palm Energy had made trade deposit payments to Songyuan in the aggregate amount of RMB111,890,000, of which Palm Energy had taken delivery of condensate oil with value equivalent to RMB109,732,736 and had received refund of the outstanding balance of the Songyuan Trade Deposit from Songyuan in the amount of RMB1,000,000 and RMB1,157,264 on 26 December 2022 and 27 December 2022, respectively.

## **THE LONGYOU PURCHASE FRAMEWORK AGREEMENTS AND THE LONGYOU TRADE DEPOSIT**

On 23 February 2024, Palm Energy (a direct wholly-owned subsidiary of the Company) and Longyou entered into the Longyou Purchase Framework Agreement pursuant to which Palm Energy had conditionally agreed to purchase and Longyou had conditionally agreed to supply tentatively 50,000 tons of crude oil at the tentative price of RMB5,400 per ton.

As amended and supplemented by the Longyou Supplemental Agreements, (i) the scope of the Longyou Purchase Framework Agreement was extended to include other oil related products; (ii) the amount of trade deposit was reduced to no less than RMB75,000,000; (iii) the expiry date was extended to 30 June 2026; and (iv) in the event Longyou is unable to fulfill delivery of crude oil and oil related products on or before 30 June 2026, Palm Energy may terminate the Longyou Purchase Framework Agreements and Longyou shall refund any unutilised balance of the Longyou Trade Deposit together with any accrued interest within 14 days of termination. According to the Longyou Fifth Supplemental Agreement, interest shall be accrued at the rate of 3% per annum.

During the period from 2 March 2024 to 30 April 2025, Palm Energy had made trade deposit payments to Longyou in the aggregate amount of RMB133,728,000, of which Palm Energy had taken delivery of crude oil and oil related products with value equivalent to RMB55,170,033 and had received refund from Longyou in the amount of RMB3,400,000 on 29 May 2024. As at the date of this announcement, an amount of RMB75,157,967 of the Longyou Trade Deposit remained unutilised. In the event Longyou fails to deliver sufficient crude oil and oil related products to Palm Energy to fully utilise the RMB75,157,967 by 30 June 2026, Palm Energy may terminate the Longyou Purchase Framework Agreements and Longyou shall refund any balance of the Longyou Trade Deposit outstanding at the material time together with interest accrued thereon within 14 days of termination.

## **ADVANCE TO AN ENTITY**

Palm Energy is principally engaged in the trading of oil, oil-related and other products. As disclosed in the Company's 2024 annual report, based on the industry practice in the PRC, to secure a steady condensate oil and crude oil supply for trade, procurement agreements usually would be signed with suppliers and prepayment of purchase would be made in advance. However, due to the rising operating costs, some oil refineries faced thin margins or even losses, and scaled down their production, which eventually limited the extent of trade activities and caused significant impact on performance for the Group's trading business in terms of trading volume and profit margin. The Trade Deposits were paid to the Suppliers to secure future deliveries of condensate oil, crude oil and oil related products under binding commercial agreements, in line with the Group's ordinary business model and industry norms. Hence, the Board considered the entering into of the Purchase Agreements and payment of the Trade Deposits were part of the Group's operations in line with its usual business practice, the Trade Deposits paid to the Suppliers were then considered to be advance to an entity under Rules 13.13 to 13.15 of the Listing Rules, which had been overlooked by the Company.

## **BREACH OF THE LISTING RULES**

As the Anda Trade Deposit exceeded 8% on each of 28 November 2023, 8 December 2023, 22 November 2024 and 25 November 2024 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Anda Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on 21 December 2023 increased by 3% or more since 8 December 2023, being the date on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Anda Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

As the Songyuan Trade Deposit exceeded 8% on 23 April 2022 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Songyuan Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on each of 8 May 2022, 13 May 2022 and 24 May 2022 increased by 3% or more since 23 April 2022, 8 May 2022 and 13 May 2022 respectively, being the dates on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Songyuan Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

As the Longyou Trade Deposit exceeded 8% on 8 March 2024 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Longyou Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on each of 9 March 2024, 11 March 2025, 12 March 2025, 25 October 2025 and 29 April 2025 increased by 3% or more since 8 March 2024, 9 March 2024, 11 March 2024, 12 March 2024 and 25 October 2024 respectively, being the dates on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Longyou Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

Due to an oversight and inadvertent misunderstanding of the Listing Rules by the management of the Group involved in the provisions of the Trade Deposits, the Company failed to comply with the disclosure obligations under Rules 13.13 to 13.15 of the Listing Rules. The management of the Group at first considered the transactions as ordinary procurement falling into its ordinary course of business rather than advance to an entity, hence overlooked the requirements under the Listing Rules.

## **THE ANDA PURCHASE AGREEMENTS AND THE ANDA TRADE DEPOSIT**

### **The Anda Purchase Agreements**

During the period between 16 November 2023 to 3 September 2025, Palm Energy (a direct wholly-owned subsidiary of the Company) and Anda entered into the Anda Purchase Agreements for the purchase of oil related products.

The principal terms of the Anda Purchase Agreements were as follows:

#### **Parties**

- (1) Palm Energy; and
- (2) Anda

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Anda and its ultimate beneficial owner(s) are Independent Third Parties.

## **The Anda Trade Deposit**

Pursuant to the Anda Purchase Agreements, Palm Energy agreed to purchase and Anda agreed to supply an aggregate of approximately 38,689 tons of oil related products based on the international prices of the oil related products at the material time. During the period between 16 November 2023 to 3 September 2025, Palm Energy had made trade deposit payments to Anda in an aggregate amount of RMB239,476,733, of which Palm Energy had taken delivery of oil related products with value equivalent to RMB226,367,183. On 1 March 2024, Anda refunded the outstanding balance of RMB109,550 from the Anda Trade Deposit to Palm Energy due to a difference between the quantity of the oil related products delivered and the quantity corresponding to the trade deposits paid, and on 27 October 2025, Anda paid an amount of RMB500,000 to Palm Energy through a third party. There is no interest or security for the Anda Trade Deposit. As at the date of this announcement, an amount of RMB12,500,000 of the Anda Trade Deposit remained unutilised. On 28 November 2025, Palm Energy filed a claim against Anda with the People's Court of Anta City, Heilongjiang Province for the refund of the remaining balance of RMB12,500,000 of the Anda Trade Deposit, together with interest at the rate of 12% per annum on the claimed amount from 3 September 2025 to the date of full repayment and all relevant court fees and costs. Through court mediated settlement on 23 December 2025, Anda agreed to settle the claim on or before 30 May 2026.

## **THE SONGYUAN PURCHASE FRAMEWORK AGREEMENT AND THE SONGYUAN TRADE DEPOSIT**

### **The Songyuan Purchase Framework Agreement**

The principal terms of the Songyuan Purchase Framework Agreement were as follows:

#### **Dates**

The Songyuan Purchase Framework Agreement : 16 April 2022

#### **Parties**

- (1) Palm Energy; and
- (2) Songyuan

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Songyuan and its ultimate beneficial owner(s) are Independent Third Parties.

## **The Songyuan Trade Deposit**

Pursuant to the Songyuan Purchase Framework Agreement, Palm Energy agreed to purchase and Songyuan agreed to supply tentatively 100,000 tons of condensate oil based on the international oil prices at the material time on or before 31 December 2022.

During the period from 18 April 2022 to 25 May 2022, Palm Energy had made trade deposit payments to Songyuan in the aggregate amount of RMB111,890,000, of which Palm Energy had taken delivery of condensate oil with value equivalent to RMB109,732,736 and had received refund of the outstanding balance of the Songyuan Trade Deposit from Songyuan in the amount of RMB1,000,000 and RMB1,157,264 on 26 December 2022 and 27 December 2022, respectively. There is no interest or security for the Songyuan Trade Deposit.

Pursuant to the Songyuan Purchase Framework Agreement, in the event Songyuan is unable to fulfill delivery of condensate oil on or before 31 December 2022, Palm Energy may terminate the Songyuan Purchase Framework Agreement and Songyuan shall pay to Palm Energy a default payment representing 10% of the contractual value under the Songyuan Purchase Framework Agreement.

The entering into of the Songyuan Purchase Framework Agreement provided the Group and Songyuan additional time to negotiate the prices of condensate oil in volatile markets or where demand outpaces supply. The Board considered the terms of the Songyuan Purchase Framework Agreement were on normal commercial terms and were fair and reasonable and was in the interest of the Company and the Shareholders as a whole.

## **Term and termination**

The Songyuan Purchase Framework Agreement commenced from the date of signing of the Songyuan Purchase Framework Agreement until 31 December 2022.

## **THE LONGYOU PURCHASE FRAMEWORK AGREEMENTS AND THE LONGYOU TRADE DEPOSIT**

The principal terms of the Longyou Purchase Framework Agreements were as follows:

### **Dates**

The Longyou Purchase Framework Agreement	:	23 February 2024
The Longyou First Supplemental Agreement	:	28 May 2024
The Longyou Second Supplemental Agreement	:	25 January 2025
The Longyou Third Supplemental Agreement	:	20 February 2025
The Longyou Fourth Supplemental Agreement	:	11 March 2025
The Longyou Fifth Supplemental Agreement	:	12 September 2025

### **Parties**

- (1) Palm Energy; and
- (2) Longyou

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Longyou and its ultimate beneficial owner(s) are Independent Third Parties.

### **The Longyou Trade Deposit**

Pursuant to the Longyou Purchase Framework Agreement, Longyou agreed to supply tentatively 50,000 tons of crude oil at the tentative price of RMB5,400 per ton on or before 23 February 2025 and Palm Energy agreed to deposit an amount of no less than RMB100,000,000 with Longyou as trade deposit during the term of the Longyou Purchase Framework Agreement.

As amended and supplemented by the Longyou Supplemental Agreements, (i) the scope of the Longyou Purchase Framework Agreement was extended to include other oil related products; (ii) the amount of trade deposit was reduced to no less than RMB75,000,000; (iii) the expiry date was extended to 30 June 2026; and (iv) in the event Longyou is unable to fulfill delivery of crude oil and oil related products on or before 30 June 2026, Palm Energy may terminate the Longyou Purchase Framework Agreements and Longyou shall refund any unutilised balance of the Longyou Trade Deposit together with any accrued interest within 14 days of termination. According to the Longyou Fifth Supplemental Agreement, interest shall be accrued at the rate of 3% per annum. There is no interest or security for the Longyou Trade Deposit.

During the period from 2 March 2024 to 30 April 2025, Palm Energy had made trade deposit payments to Longyou in the aggregate amount of RMB133,728,000, of which Palm Energy had taken delivery of crude oil and oil related products with value equivalent to RMB55,170,033 and had received refund from Longyou in the amount of RMB3,400,000 on 29 May 2024. As at the date of this announcement, an amount of RMB75,157,967 of the Longyou Trade Deposit remained unutilised. In the event Longyou fails to deliver sufficient crude oil and oil related products to Palm Energy to fully utilise the RMB75,157,967 by 30 June 2026, Palm Energy may terminate the Longyou Purchase Framework Agreements and Longyou shall refund any balance of the Longyou Trade Deposit outstanding at the material time together with interest accrued thereon within 14 days of termination.

The entering into of the Longyou Purchase Framework Agreements provided the Group and Longyou additional time to negotiate the prices of crude oil and oil related products in volatile markets or where demand outpaces supply. The Board considered the terms of the Longyou Purchase Framework Agreements were on normal commercial terms and were fair and reasonable and was in the interest of the Company and the Shareholders as a whole.

### **Term and termination**

The Longyou Purchase Framework Agreements commenced from the date of signing of the Longyou Purchase Framework Agreement until the earlier of: (i) the sale and delivery of the maximum quantity of the crude oil and oil related products to Palm Energy; or (ii) the date both Palm Energy and Longyou mutually agree to terminate; or (iii) 30 June 2026, being the expiry date of the Longyou Fifth Supplemental Agreement (provided that Longyou has fully repaid any unutilised balance of the Longyou Trade Deposit together with any accrued interest to Palm Energy).

## **INFORMATION OF PALM ENERGY**

Palm Energy is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in trading of oil, oil-related and other products.

## **INFORMATION ON THE SUPPLIERS**

### **Anda**

Anda is a company established in the PRC and is owned by Zhang Haitao and Zhang He as to 70% and 30%. The principal business activities of Anda include but are not limited to sales of petroleum and chemical products.

### **Songyuan**

Songyuan is a company established in the PRC and is owned (i) as to 97.87% by Changchun Yitonghe Petroleum Marketing Co., Ltd.\*, which is in turn owned as to approximately 60.89% by Zhao Jinmin, 12.34% by Xu Hang, 8.23% by Liu Yingwu, 7.63% by Changchun Runde Times Investment Consulting Center Co., Ltd.\*, 6.30% by Changchun Sheng Long Times Investment Consulting Center Co., Ltd.\*, 3.78% by Changchun Huizhong Times Investment Consulting Center Co., Ltd.\* and 0.82% by Wang Qingguo, and (ii) as to 2.13% by Songyuan City State-owned Capital Operation Co., Ltd.\*, which is in turn wholly owned Songyuan Municipal Bureau of Industry and Information Technology. The principal business activities of Songyuan include but are not limited to wholesale of refined oil products.

### **Longyou**

Longyou is a company established in the PRC and is owned by Ren Hudong and Liu Keqiang as to 51% and 49%, respectively. The principal business activities of Longyou include but are not limited to wholesale of crude oil, hazardous chemicals and refined oil products.

## **INTERNAL CONTROL MEASURES**

The Group has proper internal control measures for selecting, onboarding and monitoring suppliers to safeguard trade deposits made by the Group. The Group has maintained separation of duties to prevent conflicts of interest and reduce fraud risk. The individual purchase agreements or purchase framework agreements have to go through the approvals of operation department and finance department and then further submission to general manager at subsidiary level and vice president/chief executive officer of the Group for approvals. The departments and senior management would evaluate the suppliers in terms of the qualification (i.e. relevant licenses), production capability and financial stability as well as assess the terms of the individual purchase agreements or purchase framework agreements. During the supplier selection process, the Group conducted due diligence on the relevant licenses, production capability and industry reputation of the Suppliers and considered that they each possesses sufficient capacity and financial strength to fulfill the proposed purchases by the Group pursuant to the respective Purchase Agreements. Since the inception of business with the Suppliers and up to the date of this announcement, the Group purchased condensate oil, crude oil or oil related products from Anda, Songyuan and Longyou in the aggregated amount of RMB226,367,183, RMB160,412,658 and RMB55,170,033, respectively.

The operation department would conduct monthly monitoring on the performance of suppliers in terms of quality, delivery reliability, lead time and oil industry compliance. While the finance department would conduct monthly monitoring on the movement of the Trade Deposits and financial stability of the suppliers, both departments would report to the general manager at subsidiary level and vice president/chief executive officer of the Group on a monthly basis.

## **CREDIT RISK ASSESSMENT**

The Group recognises a loss allowance for ECL on the Trade Deposits. In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the Trade Deposits are credit-impaired, the Group has taken into account the historical actual credit loss experience over the past years and adjusted for forward-looking factors that are specific to the suppliers and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of the Trade Deposits, as well as the loss upon default in each case.

The expected loss rate for calculating ECL of the Trade Deposits is based on the Group's assessment of the credit quality of each individual supplier. A specific expected loss rate will be applied, on case-by-case basis, when the management of the Group considers there has been significant increase in credit risk for the Trade Deposits. As at 30 June 2025, the Trade Deposits have not had a significant increase in credit risk since initial recognition. An impairment loss of approximately HK\$3,003,000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025.

## **REASONS FOR ENTERING INTO THE PURCHASE AGREEMENTS AND PAYMENT OF THE TRADE DEPOSITS**

The Group is principally engaged in the investment holding, exploring, exploiting and sale of oil and natural gas, and trading of oil, oil-related and other products. The management considered that the entering into of the Purchase Agreements and payment of the Trade Deposits can effectively increase the revenue of the Group, strengthen the supply of its existing business in trading of oil, oil-related and other products, and provide the Group and the Suppliers additional time to negotiate the prices of condensate oil, crude oil and oil related products in volatile markets or where demand outpaces supply and safeguarded the return of the Trade Deposits in the event the Suppliers fail to deliver the condensate oil, crude oil and oil related products to the Group. The Board considered the terms of the Purchase Agreements were on normal commercial terms, were fair and reasonable and were in the interest of the Company and the Shareholders as a whole.

## **ADVANCE TO AN ENTITY**

Palm Energy is principally engaged in the trading of oil, oil-related and other products. As disclosed in the Company's 2024 annual report, based on the industry practice in the PRC, to secure a steady condensate oil and crude oil supply for trade, procurement agreements usually would be signed with suppliers and prepayment of purchase would be made in advance. However, due to the rising operating costs, some oil refineries faced thin margins or even losses, and scaled down their production, which eventually limited the extent of trade activities and caused significant impact on performance for the Group's trading business in terms of trading volume and profit margin. The Trade Deposits were paid to the Suppliers to secure future deliveries of condensate oil, crude oil and oil related products under binding commercial agreements, in line with the Group's ordinary business model and industry norms. Hence, the Board considered the entering into of the Purchase Agreements and payment of the Trade Deposits were part of the Group's operations in line with its usual business practice, the Trade Deposits paid to the Suppliers were then considered to be advance to an entity under Rules 13.13 to 13.15 of the Listing Rules, which had been overlooked by the Company.

## BREACH OF THE LISTING RULES

### The Anda Trade Deposit

Below is a summary of the relevant payments of the Anda Trade Deposit which were subject to disclosure obligations under Rules 13.13 to 13.15 of the Listing Rules at the material time:

Trade deposit payment date	Balance of the Anda Trade Deposit before payment of trade deposit (RMB)	Assets ratio	Payment amount (RMB)	Balance of the Anda Trade Deposit (RMB)	Assets ratio	Triggered Rule 13.13 of the Listing Rules	Triggered Rule 13.14 of the Listing Rules
		as defined under Rule 14.07(1) of the Listing Rules (before payment of trade deposit) (Note)			as defined under Rule 14.07(1) of the Listing Rules (after payment of trade deposit) (Note)		
28 November 2023	15,750,000	3.2%	39,185,000	54,935,000	11.1%	Yes	N/A
8 December 2023	29,645,000	6.0%	29,002,683	58,647,683	11.9%	Yes	N/A
21 December 2023	67,728,183	13.7%	9,035,000	76,763,183	15.6%	N/A	Yes
22 November 2024	20,090,000	6.7%	10,009,300	30,099,300	10.0%	Yes	N/A
25 December 2024	20,019,300	6.6%	10,003,600	30,022,900	9.9%	Yes	N/A

*Note:* The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

As the Anda Trade Deposit exceeded 8% on each of 28 November 2023, 8 December 2023, 22 November 2024 and 25 November 2024 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Anda Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on 21 December 2023 increased by 3% or more since 8 December 2023, being the date on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Anda Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

## The Songyuan Trade Deposit

Below is a summary of the relevant payments of the Songyuan Trade Deposit which were subject to disclosure obligations under Rules 13.13 to 13.15 of the Listing Rules at the material time:

Trade deposit payment date	Balance of the Songyuan Trade Deposit before payment of trade deposit (RMB)	Assets ratio as defined under Rule 14.07(1) of the Listing Rules (before payment of trade deposit) (Note)	Payment amount (RMB)	Balance of the Songyuan Trade Deposit (RMB)	Assets ratio as defined under Rule 14.07(1) of the Listing Rules (after payment of trade deposit) (Note)	Triggered Rule 13.13 of the Listing Rules	Triggered Rule 13.14 of the Listing Rules
23 April 2022	34,000,000	6.8%	6,500,000	40,500,000	8.0%	Yes	N/A
8 May 2022	54,050,000	10.7%	7,000,000	61,050,000	12.1%	N/A	Yes
13 May 2022	71,790,000	14.3%	5,000,000	76,790,000	15.3%	N/A	Yes
24 May 2022	88,090,000	17.5%	22,000,000	110,090,000	21.9%	N/A	Yes

*Note:* The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

As the Songyuan Trade Deposit exceeded 8% on 23 April 2022 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Songyuan Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on each of 8 May 2022, 13 May 2022 and 24 May 2022 increased by 3% or more since 23 April 2022, 8 May 2022 and 13 May 2022 respectively, being the dates on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Songyuan Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

## The Longyou Trade Deposit

Below is a summary of the relevant payments of the Longyou Trade Deposit which were subject to disclosure obligations under Rules 13.13 to 13.15 of the Listing Rules at the material time:

Trade deposit payment date	Balance of the Longyou Trade Deposit before payment of trade deposit (RMB)	Assets ratio as defined under Rule 14.07(1) of the Listing Rules (before payment of trade deposit) (Note)	Payment amount (RMB)	Balance of the Longyou Trade Deposit (RMB)	Assets ratio as defined under Rule 14.07(1) of the Listing Rules (after payment of trade deposit) (Note)	Triggered Rule 13.13 of the Listing Rules	Triggered Rule 13.14 of the Listing Rules
8 March 2024	36,820,000	7.5%	11,550,000	48,370,000	9.8%	Yes	N/A
9 March 2024	48,370,000	9.8%	16,000,000	64,370,000	13.1%	N/A	Yes
11 March 2024	64,370,000	13.1%	17,410,000	81,780,000	16.6%	N/A	Yes
12 March 2024	81,780,000	16.6%	17,550,000	99,330,000	20.2%	N/A	Yes
25 October 2024	74,485,517	15.4%	800,000	75,285,517	24.9%	N/A	Yes
29 April 2025	75,176,717	24.9%	10,000,000	85,176,717	31.8%	N/A	Yes

*Note:* The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

As the Longyou Trade Deposit exceeded 8% on 8 March 2024 under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Longyou Trade Deposit was subject to disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules at the material time. Furthermore, as the assets ratio for the amount of trade deposit payment made on each of 9 March 2024, 11 March 2025, 12 March 2025, 25 October 2025 and 29 April 2025 increased by 3% or more since 8 March 2024, 9 March 2024, 11 March 2024, 12 March 2024 and 25 October 2024 respectively, being the dates on which the disclosure obligations under Rule 13.13 of the Listing Rules had been triggered, the Longyou Trade Deposit was also subject to disclosure obligations under Rules 13.14 and 13.15 of the Listing Rules at the material time.

Due to an oversight and inadvertent misunderstanding of the Listing Rules by the management of the Group involved in the provisions of the Trade Deposits, the Company failed to comply with the disclosure obligations under Rules 13.13 to 13.15 of the Listing Rules. The management of the Group at first considered the transactions as ordinary procurement falling into its ordinary course of business rather than advance to an entity, hence overlooked the requirements under the Listing Rules.

## REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the Listing Rules and the Company would like to stress that such delay in compliance with the Listing Rules was inadvertent and unintentional. The Company had no intention to withhold any information relating to the Trade Deposits. To prevent the recurrence of similar incidents, the Board has adopted, or will adopt, the following remedial measures to strengthen the Group's internal control and compliance framework:

- (i) the Company has arranged and completed a training session conducted by the Company's legal advisors for the Directors and all employees of the Group on 20 November 2025 to enhance their understanding of the Listing Rules, in particular Rule 13.13 to 13.14 of the Listing Rules;
- (ii) the Company will continue to arrange regular training sessions for the Directors and management of the Group to reinforce their understandings of and importance of compliance with the Listing Rules and the other relevant rules and regulations;
- (iii) the Company will review, strengthen and continue to monitor the relevant internal control measures of the Group, including but not limited to procedures regarding contract execution and payment reporting, to ensure that the Directors and management within the Group shall promptly report to the Board any proposed transactions or events involving significant financial advances of the Group, and to obtain prior approval from the Board before such transactions are executed;
- (iv) the Company will work more closely with its legal adviser and consult other professional advisers when assessing potential notifiable or discloseable transactions. If necessary, the Company might also consult the Stock Exchange on the proper treatment of the proposed transaction; and
- (v) the Company will enhance its procurement and payment control procedures by introducing a system to monitor transaction amounts and provide early alerts. All procurement contracts, trade deposits, prepayments and other advance payments will be subject to compliance review before approval. An internal alert mechanism will track cumulative transaction amounts and notify management when they approach levels that may trigger disclosure obligations under the Listing Rules.

In assessing whether the above remedial measures have been properly implemented and are effective, the Board has reviewed the Group's payment of trade deposits from 1 August 2025 and up to the date of this announcement. Based on the Board's review, the Board notes that the Group has closely monitored transaction amounts during the period and has demonstrated improved compliance awareness and reporting discipline.

Having considered the nature of the remedial measures, the enhanced internal control framework, the strengthened reporting process, and the results of the Board's review, the Board is of the view that the above measures are adequate and effective in preventing the recurrence of similar non-compliance incidents in the future.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Anda”	Anda Xingda Chemical Co., Ltd.*, a company established in the PRC with limited liability;
“Anda Purchase Agreements”	22 individual purchase agreements entered into between Palm Energy and Anda during the period between 16 November 2023 to 3 September 2025 for the purchase of oil related products;
“Anda Trade Deposit”	an amount of RMB239,476,733, being the aggregate amount of trade deposits paid by Palm Energy to Anda during the period between 16 November 2023 to 3 September 2025;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	CHK Oil Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 632);
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“ECL”	expected credit losses;

“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	party who is a third party independent of the Company and its connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longyou”	Hainan Longyou Group Industrial Co., Ltd.*, a company established in the PRC with limited liability;
“Longyou Fifth Supplemental Agreement”	the fifth supplemental agreement to the Longyou Purchase Framework Agreement dated 12 September 2025 entered into between Palm Energy and Longyou;
“Longyou First Supplemental Agreement”	the first supplemental agreement to the Longyou Purchase Framework Agreement dated 28 May 2024 entered into between Palm Energy and Longyou;
“Longyou Fourth Supplemental Agreement”	the fourth supplemental agreement to the Longyou Purchase Framework Agreement dated 11 March 2025 entered into between Palm Energy and Longyou;
“Longyou Purchase Framework Agreement”	the purchase framework agreement dated 23 February 2024 entered into between Palm Energy and Longyou in relation to the supply of tentatively 50,000 tons of crude oil by Longyou to Palm Energy at the tentative price of RMB5,400 per ton;
“Longyou Purchase Framework Agreements”	the Longyou Purchase Framework Agreement (as amended and supplemented by the Longyou Supplemental Agreements);
“Longyou Second Supplemental Agreement”	the second supplemental agreement to the Longyou Purchase Framework Agreement dated 25 January 2025 entered into between Palm Energy and Longyou;

“Longyou Supplemental Agreements”	the Longyou First Supplemental Agreement, the Longyou Second Supplemental Agreement, the Longyou Third Supplemental Agreement, the Longyou Fourth Supplemental Agreement, and the Longyou Fifth Supplemental Agreement;
“Longyou Third Supplemental Agreement”	the third supplemental agreement to the Longyou Purchase Framework Agreement dated 20 February 2025 entered into between Palm Energy and Longyou;
“Longyou Trade Deposit”	an amount of RMB133,728,000, being the aggregate amount of trade deposits paid by Palm Energy to Longyou during the period from 2 March 2024 to 30 April 2025 pursuant to the Longyou Purchase Framework Agreements, which as at the date of this announcement, an amount of RMB75,157,967 remained utilised;
“Palm Energy”	Palm Energy (Hainan) Co., Limited*, a company established in the PRC and a wholly-owned subsidiary of the Company;
“PRC”	The People’s Republic of China and, for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchase Agreements”	the Anda Purchase Agreements, the Songyuan Purchase Framework Agreement and the Longyou Purchase Framework Agreements;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of Shares;
“Shares”	ordinary share(s) of HK\$0.2 each in the share capital of the Company;
“Songyuan”	Jilin Songyuan Petrochemical Co., Ltd.*, a company established in the PRC with limited liability;

“Songyuan Purchase Framework Agreement”	the purchase framework agreement dated 16 April 2022 entered into between Palm Energy and Songyuan in relation to the supply of tentatively 100,000 tons of condensate oil by Songyuan to Palm Energy based on the international oil prices at the material time on or before 31 December 2022;
“Songyuan Trade Deposit”	an amount of RMB111,890,000, being the aggregate amount of trade deposits paid by Palm Energy to Songyuan during the period from 18 April 2022 to 25 May 2022 pursuant to the Songyuan Purchase Framework Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance;
“Suppliers”	Anda, Songyuan and Longyou;
“Trade Deposits”	the Anda Trade Deposit, the Songyuan Trade Deposit and the Longyou Trade Deposit; and
“%”	per cent.

By order of the Board  
**CHK Oil Limited**  
**Yu Zhibo**  
*Chairman and Executive Director*

Hong Kong, 6 March 2026

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yu Zhibo, Mr. Jin Ailong and Ms. Wong Wai Sze, two non-executive Directors, namely Mr. Zheng Ye and Ms. Wong Wai Yin, Viola, and three independent non-executive Directors, namely Ms. Zhong Bifeng, Ms. Huang Qingwei and Mr. Chen Yawei.*

\* *For identification purposes only*