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中港石油有限公司*

CHK OIL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



百惠金控 PATRONS



軟庫中華 SBI China

Reference is made to the Announcements. Further to the First Placing, on 23 June 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents have conditionally agreed, as agents of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for no more than 86,870,000 Placing Shares at the Placing Price of HK\$0.21 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 27 June 2025.

The Placing Shares represent (i) approximately 9.08% of the total existing issued Shares as at the date of this announcement; and (ii) approximately 8.33% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares).

The Placing Price of HK\$0.21 per Placing Share represents (i) a discount of approximately 17.6% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 11.2% to the average closing price per Share of approximately HK\$0.236 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that all Placing Shares are placed, the gross proceeds from the Placing are expected to be approximately HK\$18.24 million, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$17.32 million, representing a net issue price of approximately HK\$0.199 per Placing Share.

The Group intends to apply (i) approximately 55.4%, or HK\$9.6 million for partial settlement of the outstanding aggregated principal amount of loan from Xin Hua; (ii) approximately 37.5%, or HK\$6.5 million for pursuing suitable investments and/or acquisition opportunities in overseas that are synergistic with the Group's principal business, as evaluated by the Board from time to time; and (iii) approximately 7.1%, or HK\$1.22 million for other business operation and general working capital of the Group.

WARNING

Since Completion is conditional upon fulfilment of the Conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Reference is made to the Announcements. Further to the First Placing, on 23 June 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Placing Agents have conditionally agreed, as agents of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for no more than 86,870,000 Placing Shares at the Placing Price of HK\$0.21 per Placing Share.

The principal terms and conditions of the Placing Agreement are as follows:

Date

23 June 2026 (after trading hours)

Parties

- (1) The Company; and
- (2) The Placing Agents

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

Placing Shares

The Placing Shares represent (i) approximately 9.08% of the total existing issued Shares as at the date of this announcement; and (ii) approximately 8.33% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares).

Rights of the Placing Shares

The Placing Shares will rank, upon allotment and issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placees

The Placing Agents will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. It is expected that none of the Placees nor their associates will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Placing Price

The Placing Price of HK\$0.21 per Placing Share represents:

- (i) a discount of approximately 17.6% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 11.2% to the average closing price per Share of approximately HK\$0.236 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$0.199 per Placing Share. Based on a nominal value of HK\$0.20 per Share, the aggregate nominal value of the maximum number of Placing Shares is HK\$17,374,000.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agents after taking into account factors including the recent market price of the Shares, the placing price of the First Placing and the current market conditions. The Directors consider that the terms of the Placing, including the Placing Price, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placing commission

Pursuant to the terms of the Placing Agreement, the Placing Agents will receive a placing commission of 4.0% of the amount which is equal to the Placing Price multiplied by the total number of Placing Shares successfully placed by the Placing Agents in accordance with the Placing Agreement.

The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agents and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the size of the Placing.

Conditions of the Placing

Completion is conditional upon the satisfaction of the following Conditions:

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange and such listing and permission not subsequently revoked prior to the Completion Date;
- (b) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date; and
- (c) the Company having complied with all of the agreements and undertakings and satisfied all of the Conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Completion Date.

The Placing Agents in their sole discretion may waive any of the Conditions (except for Condition (a)), in whole or in part and with or without conditions, by notice to the Company.

In the event that any of the Conditions has not been satisfied or waived (as applicable) on or before 3 July 2026, the Placing Agreement shall be terminated upon the written notice by the Company to the Placing Agents or by the Placing Agents to the Company and all obligations of the Company and the Placing Agents under the Placing Agreement shall cease and none of the parties to the Placing Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement, provided that if the Company shall have delivered some but not all of the Placing Shares on the Completion Date, the Placing Agents shall have the option to effect the Placing with respect to such Placing Shares as have been delivered, but such partial Placing shall not relieve the Company from liability for its default with respect to the Placing Shares not delivered.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Placing Shares.

Completion

Completion shall take place at 8:00 a.m. on the Completion Date.

Termination

The Placing Agents may, by notice in writing given to the Company, terminate the Placing Agreement at any time prior to the Completion Date provided that such notice is received prior to 8:00 a.m. on the Completion Date if any of the following occurs:

- (a) there occurs:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company and its subsidiaries taken as a whole; or
 - (ii) any suspension of trading in any of the Company's securities by the Stock Exchange during the Placing Period (save and except for any trading halt in relation to the Placing); or
 - (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, Bermuda, the People's Republic of China, Singapore, the United States of America, the United Kingdom or any other member of the European Economic Area or any other jurisdictions related to the Placing (collectively, the "**Relevant Jurisdictions**") of a national emergency or war or other calamity or crisis; or
 - (iv) any material disruption in commercial banking or securities settlement or clearance services in any of the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Relevant Jurisdictions; or
 - (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of the Relevant Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation, or

- (vi) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations in any of the Relevant Jurisdictions; or
- (vii) any material event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including a material event or change in relation to or a material development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory, currency or other nature, resulting in a change in, political, economic, fiscal, financial, regulatory, currency or stock market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in the Relevant Jurisdictions; or
- (viii) any court or arbitral judgment being made against any member of the Group which would have a material adverse effect on the business, assets, operations or prospects of the Group; or

that, in the sole judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to subscribe for the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (b) any of the representations and warranties made by any of the Company pursuant to the Placing Agreement is untrue or inaccurate; or
- (c) there has been a failure to comply with any of the agreements and undertakings required to be complied with on the part of the Company under the Placing Agreement on or before the Completion Date.

Upon termination of the Placing Agreement, all obligations of the Company and the Placing Agents under the Placing Agreement shall cease and neither the Company nor the Placing Agents shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of the Placing Agreement.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

As disclosed in the Company's poll results announcement dated 27 June 2025, the grant of the General Mandate was approved by the Shareholders at the annual general meeting of the Company held on 27 June 2025. Under the General Mandate, the Company is authorised to issue up to 173,870,734 new Shares.

As at the date of this announcement, the Directors have exercised their power to allot and issue in aggregate of 87,000,000 new Shares under the General Mandate pursuant to the First Placing. For details, please refer to the Announcements. Accordingly, 86,870,734 Shares remains available for issuance under such General Mandate.

Save as disclosed above, as at the date of this announcement, no Share has been issued pursuant to the General Mandate. Accordingly, the Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in exploring, exploiting and sale of oil and natural gas, and trading of oil, oil-related and other products.

Assuming that all Placing Shares are placed, the gross proceeds from the Placing are expected to be approximately HK\$18.24 million, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$17.32 million, representing a net issue price of approximately HK\$0.199 per Placing Share.

Up to the date of this announcement, the Group has applied (i) approximately HK\$13 million of the proceeds from the First Placing for partial settlement of the outstanding aggregated principal amount of loan from Xin Hua; and (ii) approximately HK\$2.46 million for business operation and general working capital of the Group, following which the outstanding aggregated principal amount of loan from Xin Hua to the Company was reduced to approximately HK\$13.97 million. The Group intends to apply (i) approximately 55.4%, or HK\$9.6 million of the net proceeds from the Placing for partial settlement of the outstanding aggregated principal amount of loan from Xin Hua on or before 21 July 2026; (ii) approximately 37.5%, or HK\$6.5 million for pursuing suitable investments and/or acquisition opportunities in overseas that are synergistic with the Group's principal business, as evaluated by the Board from time to time on or before 31 May 2027; and (iii) approximately 7.1%, or HK\$1.22 million for other business operation and general working capital of the Group on or before 31 December 2026. The Group will prudently evaluate potential opportunities based on factors such as the target company's business synergy, technological capabilities, and regulatory compliance status. As at the date of this announcement, the Group has not identified any specific potential investment or acquisition target or entered into any legally binding agreement in respect of any specific investment or acquisition target.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business development of the Group and will strengthen the Group's financial position, and widen the shareholder base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising. The partial settlement of the outstanding aggregated principal amount of loan from Xin Hua will also further reduce the Group's gearing level. In light of the above, the Directors (including all the independent non-executive Directors and excluding Mr. Yu (who had abstained from voting on the relevant resolution(s))) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agents and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming there is no change to the shareholding structure of the Company from the date of this announcement and up to Completion other than the allotment and issue of the Placing Shares) are as follows:

	(i) As at the date of this announcement		(ii) Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Xin Hua (Note 1)	552,220,206	57.74	552,220,206	52.93
Directors				
Yu Zhibo (Note 1)	552,220,206	57.74	552,220,206	52.93
Zhong Bifeng (Note 2)	5,000,000	0.52	5,000,000	0.48
Jin Ailong (Note 3)	4,726,000	0.49	4,726,000	0.45
Public Shareholders				
Placees	—	—	86,870,000	8.33
Other public Shareholders	<u>394,407,468</u>	<u>41.25</u>	<u>394,407,468</u>	<u>37.81</u>
Total	<u>956,353,674</u>	<u>100</u>	<u>1,043,223,674</u>	<u>100</u>

Notes:

1. These 552,220,206 Shares are held by Xin Hua, which, in turn, is owned as to 46.28% by Mr. Yu Zhibo, being an executive Director and chairman of the Board.
2. Ms. Zhong Bifeng is an independent non-executive Director.
3. Mr. Jin Ailong is an executive Director.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 18 June 2026, the Company completed the First Placing. A total of 87,000,000 Shares have been successfully placed to not less than six placees at the placing price of HK\$0.21 per Share.

The net proceeds from the First Placing (after deduction of the placing commission in respect of the First Placing and other related expenses including, among others, the professional fees) were approximately HK\$17.35 million. The net proceeds from the First Placing has been/will be utilized for the purposes as set out in the Announcements.

The intended and actual usage of the net proceeds from the First Placing as at the date of this announcement are set out below:

Intended use of net proceeds	Net proceeds available from the First Placing (HK million)	Percentage of use of proceeds raised	Actual net amount utilised as of the date of this announcement (HK million)	Unutilized net amount as of the date of this announcement (HK million)	Expected timeline for fully utilizing the unutilized net amount	Expected timeline as disclosed in the announcement of the First Placing
Partial settlement of the outstanding aggregated principal amount of loan from Xin Hua	13.0	74.9%	13.0	–	N/A	10 July 2026
Other business operation and general working capital of the Group	4.35	25.1%	2.46	1.89	31 December 2026	31 December 2026
Total	<u>17.35</u>	<u>100%</u>	<u>15.46</u>	<u>1.89</u>		

WARNING

Since Completion is conditional upon fulfilment of the Conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as set forth below:

“Announcements”	the announcements of the Company dated 5 June 2026, 9 June 2026 and 18 June 2026 in relation to the First Placing
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks generally are open for general banking business in 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)
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	within five Business Days after the date upon which the last of the Conditions shall have been so satisfied or waived (as applicable), or at such other time and/or date as the Company and the Placing Agents may agree in writing
“Condition(s)”	the conditions precedent set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“First Placing”	the placing of no more than a total of 87,000,000 new Shares pursuant to the placing agreement dated 5 June 2026 entered into between the Company and the Placing Agent I, details of which are disclosed in the Announcements
“General Mandate”	the general mandate granted by the Shareholders to the Directors to allot, issue and deal with up to 173,870,734 Shares, representing 20% of the total number of issued Shares as at the date of the annual general meeting of the Company held on 27 June 2025
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who are third parties independent of the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agents or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent I”	Patrons Securities Limited, a licensed corporation to carry out businesses in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities, under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

“Placing Agent II”	SBI China Capital Financial Services Limited, a licensed corporation to carry out businesses in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities, under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agents”	Placing Agent I and Placing Agent II
“Placing Agreement”	a placing agreement dated 23 June 2026 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$0.21 per Placing Share
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. on the Completion Date
“Placing Shares”	no more than a total of 86,870,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xin Hua”	Xin Hua Petroleum (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability, the controlling shareholder of the Company who beneficially owns 552,220,206 Share as at the date of this announcement
“%”	per cent

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

Hong Kong, 23 June 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 purpose only