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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yanchang Petroleum International Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 3 to 6 of this circular. A notice convening the annual general meeting (the “AGM”) of the Company to be held at Room Admiralty and The Peak, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 5 June 2020 at 3:30 p.m. is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

24 April 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Room Admiralty and The Peak, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 5 June 2020 at 3:30 p.m., notice of which is set out on pages 15 to 18
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company adopted on 26 March 2001 and may be amended from time to time
“Company”	Yanchang Petroleum International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“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 PRC
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	15 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Repurchase Mandate”	the general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases
“Yanchang Petroleum Group”	Shaanxi Yanchang Petroleum (Group) Co., Limited (陝西延長石油(集團)有限責任公司), a state-owned corporation registered in the PRC with limited liability, being a substantial Shareholder beneficially holding 6,496,729,547 Shares, representing approximately 53.49% of the existing issued share capital of the Company as at the Latest Practicable Date
“%”	per cent.



延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

Executive Directors:

Mr. Li Yi (Chairman)

Ms. Sha Chunzhi

Mr. Gao Hairen

Mr. Li Jun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent non-executive Directors:

Mr. Ng Wing Ka

Mr. Leung Ting Yuk

Mr. Sun Liming

Dr. Mu Guodong

*Head Office and Principal Place of
Business in Hong Kong:*

Room 3403, 34/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

24 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to, inter alia, provide you with the information on:

- (a) the proposed grant of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate;
- (b) the Directors proposed to be re-elected at the AGM; and
- (c) the notice of the AGM, for consideration on the related resolutions to be put forward at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

Two ordinary resolutions, as set out in the notice of the AGM, will be proposed for the following purpose:

Ordinary resolution no. 4 is to grant to the Directors a general mandate to issue new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution; and

Ordinary resolution no. 6 is to increase the aggregate nominal amount of share capital of the Company which the Directors may issue under the general mandate if given in the ordinary resolution no. 4 by the aggregate nominal amount of share capital of the Company repurchased under the general mandate if given in the ordinary resolution no. 5.

The Company had in issue an aggregate of 12,145,573,049 Shares of HK\$0.02 each as at the Latest Practicable Date. Subject to the passing of the aforesaid ordinary resolution no. 4 and in accordance with the terms therein, the Company would be allowed to issue additional Shares up to the aggregate nominal amount of a maximum of 2,429,114,609 Shares on the basis that no further Shares will be issued or repurchased prior to and including the date of the AGM.

GENERAL MANDATE TO REPURCHASE SHARES

The ordinary resolution no. 5 as set out in the notice of the AGM will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase the Company's fully paid up Shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

In accordance with the Listing Rules, Appendix I to this circular serves as the explanatory statement to provide the Shareholders with the requisite information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution for granting of the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Pursuant to bye-law 87 of the Bye-laws, Ms. Sha Chunzhi, Mr. Leung Ting Yuk and Dr. Mu Guodong shall retire by rotation and, being eligible, offer themselves for re-election at the AGM.

Biographical Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

In accordance with the Code Provision A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules which states that if an independent non-executive director has served more than 9 years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. Mr. Leung Ting Yuk (“Mr. Leung”) has been appointed as the independent non-executive Director since 3 December 2009 and is subject to be appointed in a separate resolution by the Shareholders at the AGM. The Board considers that Mr. Leung meets the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation. In particular, the Board is satisfied that Mr. Leung, who shall retire from office at the AGM, and being eligible, offer himself for re-election, remains independent and further considers that he should be re-elected in view of his skills, experience and knowledge of the Group’s businesses and his ability to exercise independence of judgment in relation to the Company’s affairs, which continue to be of significant benefit to the Company.

AGM

Set out on pages 15 to 18 of this circular is a notice convening the AGM to consider and, if appropriate, to approve the ordinary resolutions relating to the proposals for the general mandates to issue Shares and to repurchase Shares and the re-election of Directors.

A form of proxy for use at the AGM is enclosed herewith. If you are not able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the AGM will be voted by poll.

RECOMMENDATION

The Board, to the extent having made all reasonable enquires, is not aware that any Shareholder is required to abstain from voting on the proposals to be put forward at the AGM.

The Board considers that the ordinary resolutions in relation to the Issue Mandate, the Repurchase Mandate and the re-election of Directors to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and believe the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL

Your attention is also drawn to the appendices to this circular.

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

By Order of the Board
Yanchang Petroleum International Limited
Li Yi
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with the requisite information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 12,145,573,049 Shares.

Subject to the passing of the ordinary resolution no. 5 as set out in the notice of AGM and in accordance with the terms therein, the Company would be allowed under the Repurchase Mandate to repurchase fully paid shares up to the aggregate nominal amount of a maximum of 1,214,557,304 Shares, representing 10% of the existing issued Shares, on the basis of no further Shares will be issued or repurchased up to and including the date of the AGM.

3. REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile. At any time in the future when Shares trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their interests in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company and thereby resulting in an increase in net asset value and/or earning per share of the Company. Such repurchases will only be made when the Directors believe that the repurchases will benefit the Company and its Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws and regulations of Bermuda and the Listing Rules.

Any repurchase of securities of the Company would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Bye-laws and subject to the applicable laws of Bermuda, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Bye-laws and subject to the applicable laws of Bermuda, out of capital.

5. SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest prices at which the Shares had been traded were as follows:

	Price per share of the Company	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	0.122	0.100
May	0.114	0.092
June	0.100	0.082
July	0.090	0.076
August	0.088	0.052
September	0.064	0.049
October	0.068	0.049
November	0.056	0.047
December	0.057	0.044
2020		
January	0.062	0.044
February	0.052	0.043
March	0.045	0.034
April (up to the Latest Practicable Date)	0.044	0.036

6. REPURCHASE MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Shares during the six months immediately preceding the Latest Practicable Date.

7. POSSIBLE MATERIAL ADVERSE IMPACT

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2019) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not proposed to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirement or the gearing level. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

8. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

9. EFFECT OF THE TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following Shareholders were directly or indirectly interested in 5% or more of the nominal value of the issued Shares that carry a right to vote in all circumstances at general meeting of the Company and were interested and/or were deemed to be interested under the SFO in the Shares in issue:

Name	Number of the Shares held	Approximate percentage of the total issued share capital of the Company as at the Latest Practicable Date	Number of the Shares held assuming full exercise of the Convertible Bonds under the Subscription Agreement	Approximate Percentage of the total issued share capital of the Company assuming full exercise of the Convertible Bonds under the Subscription Agreement
Yanchang Petroleum Group (<i>Note 1</i>)	6,496,729,547	53.49%	12,686,203,231	69.19%
Yanchang Petroleum Group (Hong Kong) Co., Limited (“Yanchang Petroleum HK”) (<i>Note 1</i>)	6,496,729,547	53.49%	12,686,203,231	69.19%

Note 1: Yanchang Petroleum Group beneficially held these 6,496,729,547 Shares through its direct wholly-owned subsidiary, Yanchang Petroleum HK.

Amongst these 12,686,203,231, 6,189,473,684 Shares represent a deemed interest held by Yanchang Petroleum HK. Pursuant to a subscription agreement dated 12 October 2018 (the “Subscription Agreement”) entered into between the Company and Yanchang Petroleum HK, the Company had conditionally agreed to issue, and Yanchang Petroleum HK had conditionally agreed to subscribe for, the convertible bonds of an aggregate principal amount of US\$60,000,000 (the “Convertible Bonds”) at the conversion price of HK\$0.076 per Share on completion.

With all the conditions precedent under the Subscription Agreement being fulfilled, completion of subscription took place on 28 November 2018 which enables Yanchang Petroleum HK to subscribe for a maximum of 6,189,473,684 Shares at the conversion price of HK\$0.076 per share upon full conversion of the Convertible Bonds within the 2-year exercise period.

In the event that the Directors shall exercise the Repurchase Mandate in full to repurchase Shares in accordance with the ordinary resolution no. 5 to be proposed at the AGM and assuming that none of the 6,189,473,684 conversion shares under the Convertible Bonds are to be converted; and no further Shares is issued, allotted or repurchased by the Company prior to and including the date of the AGM, the respective shareholdings of Yanchang Petroleum Group and Yanchang Petroleum HK, would be increased to approximately 59.43% and 59.43%,

respectively. Pursuant to Rule 32 of the Takeovers Code, the said resultant increase in shareholdings for Yanchang Petroleum Group and Yanchang Petroleum HK, would not trigger an obligation for them to make a mandatory general offer under Rule 26 of the Takeovers Code.

Save as the aforesaid and based on information known to date, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. The Directors have no present intention to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger off any potential consequences under the Takeovers Code.

Assuming that there is no alteration to the issued share capital of the Company between the Latest Practicable Date and the date of the AGM, the exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed percentage.

10. DIRECTORS' DEALINGS

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that such mandate as proposed in the ordinary resolution no. 5 is approved by the Shareholders.

11. CONNECTED PERSON

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate as proposed in the ordinary resolution no. 5 is approved by the Shareholders.

The following set out the details of the Directors who shall retire by rotation and, being eligible, offer themselves for re-election at the AGM pursuant to Bye-laws 86(2) and 87 of the Bye-laws.

Ms. Sha Chunzhi, aged 46, an executive Director

Ms. Sha was appointed as an executive Director on 2 December 2016. Ms. Sha joined the Financial Company of Yanchang Petroleum Group since September 2013, and is currently the chief economist of Yanchang Petroleum Group, the chairman and the deputy secretary of the Party Committee of Financial Company. During the period from January 1997 to May 2009, Ms. Sha had took up the position as deputy branch manager and then branch manager of different branches at the Xian City Commercial Bank (西安市商業銀行). And then later she worked for Chang'an Bank, Xian City (西安市長安銀行) during the period from May 2009 to September 2013, where she attained the latest promoted position as the general manager of the Accounts Settlement Department. Ms. Sha obtained a master degree in engineer and is also an economist. Ms. Sha is knowledgeable, possesses extensive experience in management and leadership, and competent in organization and coordination skills. She is also well experienced in the banking and finance industry and familiar with the financial policies, rules and regulations of China, and good at the areas of capital and financial management. Besides, Ms. Sha had participated in the work of corporate establishment for various banks and financial institutions, with sound management experience in determining the business framework and setting up operational procedures and mechanism for corporations. Save as the aforesaid, Ms. Sha did not hold any directorship in other listed companies during the past three years.

Ms. Sha has entered into a new service contract with the Company on 2 December 2019 for a term of three years commencing from 2 December 2019. She is subject to retirement by rotation and re-election at the annual general meeting of the company at least once in every three years in accordance with the Bye-laws. Ms. Sha is entitled to an annual remuneration of HK\$249,600, which is determined by the Board with reference to her duties and responsibilities, the prevailing market conditions and the recommendation of the remuneration committee of the Company.

As at the Latest Practicable Date, Ms. Sha does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Sha does not have any relationship with any Directors, senior management, substantial shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Leung Ting Yuk, aged 45, an independent non-executive Director

Mr. Leung was appointed as an independent non-executive Director on 3 December 2009. Mr. Leung is also the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Leung holds a bachelor of Commerce with major in accounting in University of Wollongong, Australia. He is a member of the Certified Practicing Accountants, Australia and the Hong Kong Institute of Certified Public Accountants. He has over 18 years' experience in financial management, accounting and auditing. Mr. Leung has been appointed as an independent non-executive director of Most Kwai Chung Limited (a company listed on the Stock Exchange) since March 2018 and he has also been appointed as an independent non-executive director of Xinyi Energy Holdings Limited (a company listed on the Stock Exchange) since November 2018. He had acted as an independent non-executive director of Hang Tai Yue Group Holdings Limited (a company listed on the Stock Exchange) from 18 May 2016 to 10 Jan 2019. Save as the aforesaid, Mr. Leung did not hold any directorship in other listed companies in the past three years.

Mr. Leung has entered into a new service contract with the Company on 1 April 2019 for a term of three years commencing from 1 April 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once in every three years in accordance with the Bye-laws. Mr. Leung is entitled to an annual remuneration of HK\$128,400, which is determined by the Board with reference to his duties and responsibilities, the prevailing market conditions and the recommendation of the remuneration committee of the Company.

As at the Latest Practicable Date, Mr. Leung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Leung does not have any relationship with any Directors, senior management, substantial shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Dr. Mu Guodong, aged 62, an independent non-executive Director

Dr. Mu was appointed as an independent non-executive Director on 28 December 2012. Dr. Mu was graduated from the School of Economics and Finance of Xi'an Jiaotong University (formerly known as "Shaanxi Institute of Finance & Economics") with a Master degree of Economics in 1988. He was appointed by the State Education Commission of the People's Republic of China as a visiting scholar of Macquarie University in Australia in 1993. Dr. Mu obtained the Endeavour Awards from the Australian Government to study the doctor's degree of Economics in 1995, and obtained his Doctor of Philosophy degree from The University of New England in 2001. Dr. Mu had acted as the assistant to the general manager of the business development department of China Merchants Group Limited, the controlling shareholder of China Merchants Holdings (International) Company Limited (stock code: 144), a company listed on the Stock Exchange. Dr. Mu had acted as the general manager of 招商金葵資本管理有限責任公司 (China Merchants Jinkui Capital Management Company Limited) and had acted as the

assistant to the general manager of China Merchants Capital Limited and the general manager of the Fundraising and IR Department of China Merchants Capital Management (International) Limited. Dr. Mu has extensive experience in corporate finance and management, merger and acquisition and corporate restructuring. He led and participated in numbers of large-scale merger and acquisition projects over the past ten years, which included the projects of China Merchants Group Limited in Vietnam and Sri Lanka, the project of highway merger integration and the project of Qianhai Bonded Port Area in Shenzhen. Save as the aforesaid, Dr. Mu did not hold any directorship in other listed companies during the past three years.

Dr. Mu Guodong has entered into a new service contract with the Company on 28 December 2019 for a term of three years commencing from 28 December 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once in every three years in accordance with the Bye-laws. Dr. Mu is entitled to an annual remuneration of HK\$128,400, which is determined by the Board with reference to his duties and responsibilities, the prevailing market conditions and the recommendation of the remuneration committee of the Company.

As at the Latest Practicable Date, Dr. Mu is interested in 300,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Mu does not have any relationship with any Directors, senior management, substantial shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

NOTICE OF THE AGM



延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00346)

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “AGM”) of Yanchang Petroleum International Limited (the “Company”) will be held at Room Admiralty and The Peak, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 5 June 2020 at 3:30 p.m., or any adjournment thereof, for the following purposes:

AS ORDINARY BUSINESS AND ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the report of the directors and the independent auditor’s report of the Company and its subsidiaries for the year ended 31 December 2019.
2. To re-elect the following directors of the Company and to authorise the board of directors of the Company (the “Board”) to fix the remuneration of directors of the Company:
 - 2.1 Ms. Sha Chunzhi
 - 2.2 Mr. Leung Ting Yuk
 - 2.3 Dr. Mu Guodong
3. To appoint KPMG as auditors of the Company and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS, to consider and, if thought fit, pass with or without amendments, the following resolutions no. 4, 5 and 6 as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.02 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including securities convertible into

NOTICE OF THE AGM

Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including securities convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (iii) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company from time to time; shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the directors of the Company to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory bodies or any stock exchanges in, any territories applicable to the Company).”

NOTICE OF THE AGM

5. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchanges on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognised stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon resolutions no. 4 and 5 above being passed, the unconditional general mandate granted to the directors of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution no. 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

By Order of the Board
Yanchang Petroleum International Limited
Li Yi
Chairman

Hong Kong, 24 April 2020

NOTICE OF THE AGM

Notes:

1. The register of members of the Company will be closed from 2 June 2020 to 5 June 2020 (both days inclusive), during which period no transfer of share(s) will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 1 June 2020.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time appointed for holding the AGM.
5. With respect to the resolution no. 2 as set out in this notice, Ms. Sha Chunzhi, Mr. Leung Ting Yuk and Dr. Mu Guodong shall retire and, being eligible, offer themselves for re-election at the AGM. The biographical details of the said directors of the Company are set out in Appendix II to this circular.
6. Completion and return of the form of proxy will not preclude members from attending and voting at the AGM.
7. As at the date of this notice, the board of directors of the Company consists of eight directors, of which four are executive directors, namely Mr. Li Yi (chairman), Ms. Sha Chunzhi, Mr. Gao Hairen and Mr. Li Jun and four are independent non-executive directors, namely Mr. Ng Wing Ka, Mr. Leung Ting Yuk, Mr. Sun Liming and Dr. Mu Guodong.