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中油港燃能源集團控股有限公司

CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

AUTOMATIC CONVERSION OF THE CONVERTIBLE BONDS

Reference is made to the announcements of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) dated 20 December 2013, 6 January 2014 and 27 January 2014 respectively in relation to the placing of the convertible bonds of an aggregate principal amount of HK\$55,500,000 with the maturity date of 23 July 2015 (the “**Convertible Bonds 1**”). Reference is also made to the Company’s announcement dated 19 February 2014 and 20 March 2014 respectively in relation to the placing of the convertible bonds of an aggregate principal amount of HK\$15,600,000 with the maturity date of 19 September 2015 (the “**Convertible Bonds 2**”). Terms used herein shall have the same meanings as those defined in the aforesaid announcements unless the context otherwise requires.

AUTOMATIC CONVERSION OF THE CONVERTIBLE BONDS

Pursuant to the respective terms and conditions of the Convertible Bonds 1 and the Convertible Bonds 2, the holders of the Convertible Bonds 1 and the Convertible Bonds 2 shall be deemed to have exercised their rights to convert all outstanding convertible bonds and such convertible bonds will be automatically converted into conversion shares at the Conversion Price which is subject to adjustment in accordance with the respective terms and conditions of the Convertible Bonds 1 and Convertible Bonds 2 (the “**Automatic Conversion**”) if, at any time during the Conversion Period, the average closing price per Share for 10 consecutive trading days exceeds (but does not include) HK\$3.20, which is 35% more than the Conversion Price (the “**Automatic Conversion Price**”).

The Company conducted a share subdivision (the “**Share Subdivision**”) as disclosed in the Company’s circular dated 28 February 2014 and announcement dated 24 March 2014. Pursuant to the respective terms and conditions of the Convertible Bonds 1 and the Convertible Bonds 2, the conversion price of both Convertible Bonds 1 and the Convertible Bonds 2 has been adjusted from HK\$2.37 per Share to HK\$0.237 per Share (the “**Adjusted Conversion Price**”). Also, the Automatic Conversion Price has been adjusted from HK\$3.2 per Share to HK\$0.32 per Subdivided Share as confirmed by the auditors of the Company.

The Board hereby announces that since the average closing price per Share for 10 consecutive trading days up to and including 19 May 2015 is HK\$0.321, which is above the adjusted Automatic Conversion Price of HK\$0.320, the holders of the Convertible Bonds 1 and the Convertible Bonds 2 were deemed to have exercised their rights to convert all outstanding convertible bonds and such convertible bonds will be automatically converted into conversion shares at the Adjusted Conversion Price of HK\$0.237 per Share.

As at the date of this announcement, neither Convertible Bonds 1 nor the Convertible Bonds 2 has been redeemed or converted. The Company is expected to allot and issue a total of 234,177,203 Shares (the “**Automatic Conversion Shares 1**”) and 65,822,781 Shares (the “**Automatic Conversion Shares 2**”) to the holders of the Convertible Bonds 1 and Convertible Bonds 2 respectively as result of the Automatic Conversion.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the allotment and issue of the Automatic Conversion Shares 1 and the Automatic Conversion Shares 2; (ii) immediately after the allotment and issue of the Automatic Conversion Shares 1 only; (iii) immediately after the allotment and issue of the Automatic Conversion Shares 2 only; and (iv) immediately after the allotment and issue of the Automatic Conversion Shares 1 and Automatic Conversion Shares 2 is set out below:

| | Immediately before the allotment and issue of the Automatic Conversion Shares 1 and the Automatic Conversion Shares 2 | | Immediately after the allotment and issue of the Automatic Conversion Shares 1 only | | Immediately after the allotment and issue of the Automatic Conversion Shares 2 only | | Immediately after the allotment and issue of the Automatic Conversion Shares 1 and the Automatic Conversion Shares 2 | |
|--|---|----------------------|---|----------------------|---|----------------------|--|----------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Public Shareholders | | | | | | | | |
| The placees of the Convertible Bonds 1 | - | 0.00% | 234,177,203 | 2.59% | - | - | 234,177,203 | 2.57% |
| The placees of the Convertible Bonds 2 | - | 0.00% | - | 0.00% | 65,822,781 | 0.74% | 65,822,781 | 0.72% |
| Other public Shareholders | <u>8,822,400,000</u> | <u>100.00%</u> | <u>8,822,400,000</u> | <u>97.41%</u> | <u>8,822,400,000</u> | <u>99.26%</u> | <u>8,822,400,000</u> | <u>96.71%</u> |
| Total | <u>8,822,400,000</u> | <u>100.00%</u> | <u>9,056,577,203</u> | <u>100.00%</u> | <u>8,888,222,781</u> | <u>100.00%</u> | <u>9,122,399,984</u> | <u>100.00%</u> |

By order of the Board
China Oil Gangran Energy Group Holdings Limited
Fok Joyce Sing Yan
Company Secretary

Hong Kong, 20 May 2015

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Zhang Xueming, Mr. Rong Changjun, Mr. Ho Chun Kit Gregory and Mr. Chan Lung Ming; and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Ng Ka Chung and Mr. Lau Sung Tat, Vincent.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the websites of the Company at www.chinaoilgran.com and <http://chinaoilgran.todayir.com>.