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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

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcements of (the “**Announcements**”) of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) dated 22 June 2018 and 28 June 2018 in relation to the placing of new Shares under General Mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

In addition to the information disclosed in the Announcements, the Company wishes to provide further information regarding (i) the breakdown of the promissory notes which the Company intends to repay by the proceeds from the Placing; (ii) the breakdown of the intended use as general working capital of the Company for the proceeds from the Placing; and (iii) further reasons for and benefits of the Placing.

BREAKDOWN OF THE PROMISSORY NOTES

Set out in the table below is the breakdown of the promissory notes which the Company intends to repay by the proceeds from the Placing:

Promissory notes	Issue date	Maturity date	Principal amount (HK\$)	Outstanding principal amount payable in the financial year ending 31 March 2019 (HK\$)	Interest rate	Total approximate amount of interest payable in the financial year ending 31 March 2019 (HK\$)
Promissory Note A	31 July 2017	7 July 2018 (Note 1)	1,500,000	1,500,000	3.5% per 6 months	22,000 (Note 1)
Promissory Note B	31 July 2017	7 July 2018 (Note 2)	1,500,000	1,500,000	3.5% per 6 months	22,000 (Note 2)
Promissory Note C	3 June 2015	2 June 2018	6,000,000	6,000,000	7% per annum	420,000
Promissory Note D	21 June 2017	7 July 2018 (Note 3)	800,000	800,000	7% per annum	58,000
Promissory Note E	21 June 2017	7 July 2018 (Note 4)	1,200,000	1,200,000	7% per annum	88,000
Promissory Note F	3 July 2015	2 July 2018	5,000,000	5,000,000	8% per annum	400,000
Promissory Note G	5 August 2014	4 August 2017	1,000,000	1,000,000	7% per annum	210,000 (Note 5)
Promissory Note H	30 August 2014	29 August 2018	10,000,000	10,000,000	7% per annum	700,000
Total			27,000,000	27,000,000		1,920,000

Notes

- The maturity date for Promissory Note A was originally on 1 January 2018, which had been extended to 7 July 2018. The Company had partially settled the outstanding interest of approximately HK\$75,000 and the balance of the outstanding interest of approximately HK\$22,000 will be payable in the financial year ending 31 March 2019.
- The maturity date for Promissory Note B was originally on 1 January 2018, which had been extended to 7 July 2018. The Company had partially settled the outstanding interest of approximately HK\$75,000 and the balance of the outstanding interest of approximately HK\$22,000 will be payable in the financial year ending 31 March 2019.
- The maturity date for Promissory Note D was originally on 21 June 2018, which had been extended to 7 July 2018.
- The maturity date for Promissory Note E was originally on 21 June 2018, which had been extended to 7 July 2018.
- Being the outstanding interest in the amount of HK\$70,000 per year x 3 years.

BREAKDOWN OF THE INTENDED USE AS GENERAL WORKING CAPITAL OF THE COMPANY

Set out in the table below is the breakdown of the intended use as general working capital of the Company for the proceeds from the Placing:

Particulars	Approximate amount (HK\$)
Directors' remuneration and staff costs for Hong Kong office	5,210,000
Legal and professional fees	1,163,000
Rental expenses and general administrative expenses for Hong Kong office	<u>2,127,000</u>
Total	<u><u>8,500,000</u></u>

FURTHER REASONS FOR AND BENEFITS OF THE PLACING

As disclosed in the section headed “Breakdown of the Promissory Notes” in this announcement, the Company has imminent funding needs for settlement of the promissory notes (including interest) in the amount of approximately HK\$28.9 million due in the financial year ending 31 March 2019. The Group's bank balance and cash amount was approximately HK\$46 million as at 31 March 2018. As set out in the Company's annual report for the year ended 31 March 2018, prior to the current financial year, the Group had contributed capital in conjunction with two strategic collaborative partners to establish a company, namely Jiangxi China Oil Gangran Energy Technology Company Limited (“**Jiangxi China Oil**”), being a 51%-owned subsidiary of the Company, for conducting the liquefied natural gas, compressed natural gas and other related clean energy businesses in the PRC. It is foreseeable that there will be an increase in the general working needs of Jiangxi China Oil in order to develop its business of “Vessel LNG Utilization Conversion”, including but not limited to proactively cooperating with Harbin Institute of Technology to further optimize and upgrade the technology of Vessel LNG Utilization Conversion. In addition, the Group also needs to maintain a sufficient level of general working capital for the day-to-day operations of other subsidiaries of the Company. Hence, the Group's existing bank balance and cash amount will not be sufficient for settling the outstanding promissory notes when they fall due in the financial year ending 31 March 2019. Taking into account (i) the imminent funding needs of the Company for settlement of the promissory notes due in the financial year ending 31 March 2019; (ii) the decrease in the Group's existing bank and cash amount from approximately HK\$54 million as at 30 September 2017 to approximately HK\$46 million as at 31 March 2018; and (iii) the increase in the general working needs of Jiangxi China Oil, the Board considered that the Placing is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Save as the further information stated above, all the information in the Announcements remain unchanged.

By order of the Board
China Oil Gangran Energy Group Holdings Limited
Zou Donghai
Chairman

Hong Kong, 3 July 2018

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Rong Changjun, Mr. Zhang Xueming, Dr. Ho Chun Kit Gregory and Dr. Zheng Jian Peng; the non-executive Directors are Mr. Chan Shiu Man and Mr. Hua Xujie; and the independent non-executive Directors are Mr. Chan Ying Kay, Mr. Lau Sung Tat, Vincent and Mr. Sun Dexin.

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.chinaoilgangran.com and <http://chinaoilgangran.todayir.com>.