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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

Reference is made to the Company's announcements (i) on 31 August and 31 December 2018 in relation to the update on addressing the disclaimer of opinion issued by the Company's auditors for the Company's annual results announcement for the year ended 31 March 2018 ("**the 2018 Annual Results**") at 29 June 2018 ("**the Disclaimer Opinion Update Announcements**"); and (ii) on 15 October 2018 in relation to the error on the Company's unaudited consolidated first quarterly results ("**the Q1 Result Supplemental Announcement**").

Unless otherwise defined, capitalised terms used in this announcement shall have the meanings as those defined in the abovementioned announcements and the Annual Report for the year ended 31 March 2018.

The Board would like to provide the following supplemental information to the shareholders of the Company.

STATUS OF INTERNAL CONTROL REVIEW

The Disclaimer Opinion Update Announcements provided that:

- (i) The Company appointed HK KCBC CPA Limited in October 2018 takeover the internal control review, and is expected that the report will be ready by mid-January 2019; and

- (ii) A Special Committee was formed to look into the matters giving rise to the disclaimer of opinions and make the appropriate recommendations,

In light of the above, please advise (a) the respective status of the Special Committee's investigation and the internal control review on the disclaimer opinion ; and (b) when their reports will be completed.

In respect of the above, the Board advises that due to the crash of time with the tax filing deadline for the March year ended of various clients of the internal control review consultants and the travel schedules of the Company's Board members, the internal control review consultants have delayed their meetings with the Company's management and hence delivery of the final reports to the Company. Nevertheless, the internal review consultants and the Company's Board members shall expedite the process after the Chinese New Year and it is expected that the full report could be finalized on or before 15 March 2019.

STATUS OF SPECIAL INVESTIGATION COMMITTEE'S INVESTIGATION AND AUDITORS' REVIEW

The Q1 Result Supplemental Announcement provided that:

- (i) the Auditor will review the condensed consolidated financial statements for the three months ended 30 June 2018 in accordance with the Hong Kong Standard on Review Engagements 2410 and the final report will be dated 30 November 2018 (the Auditors' Review); and
- (ii) on 3 September 2018, the Board resolved to form the SIC to investigate, among others, as to whether the Relevant Revenue from sales of power and data cords and inlet sockets as reported in the result announcement dated 14 August 2018 for the three months ended 30 June 2018 was incorrect. The SIC is in the process of preparing the results and findings of the above investigation. The Company will provide an update on the status of the SIC report and the internal control review in due course (the SIC Investigation).

In relation to the status of the investigation of Special Investigation Committee ("SIC") and the Auditors' Review, it was the decision of the Company's management to strengthen the accounting teams and build up the SIC to identify and improve the internal control weakness. Although the Company has engaged an additional financial controller to strengthen the internal control system of the Company, the internal control review has not yet been completed as a result of unexpected change of personnel in the accounts department of the Company and the subsidiaries as well as the Finance Manager of the Company (who has all along been responsible for preparing the consolidation of the financial statements of the Company) leaving the employ of the Company.

In addition, the major subsidiaries concerned are in the PRC and their accounting staff are currently intensively working on their year ended audits and tax filings. Meanwhile, the time for making the Company's quarter announcement is fast approaching and indeed, an extension of time has also been applied for. Thus, it is the management's planning to recruit more accounting staff and resume the review by the Auditor and SIC by the end of February and on this basis, it is expected that the final report could be finalized on or before 1 April 2019.

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

Hong Kong, 14 February 2019

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Rong Changjun, Mr. Zhang Wenrong, Dr. Ho Chun Kit Gregory, Dr. Zheng Jian Peng, Mr. Yuan Beisheng and Ms. Hui Sai Ha; and the independent non-executive Directors are Mr. Lau Sung Tat, Vincent, Mr. Tam Kim Fung and Mr. Qin Shihui.

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>.