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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

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



鼎成證券有限公司

Gransing Securities Co., Limited

Reference is made to the announcements of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) dated 21 February 2019, 8 March 2019, 11 March 2019 and 21 March 2019 in relation to the Placing (together, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions set out in the Placing Agreement (as amended, varied and supplemented by the First Amendment Deed dated 8 March 2019 and the Second Amendment Deed dated 11 March 2019) have been fulfilled and the Placing was completed on 26 March 2019 in accordance with the terms and conditions of the Placing Agreement. A total of 22,897,000 Placing Shares have been successfully placed at the Placing Price of HK\$0.316 per Placing Share to not fewer than six placees and none of the Placees is a substantial shareholder (within the meaning of GEM Listing Rules) of the Company upon completion of the Placing.

The Placing Shares are placed to not less than six Placees who are professional, institutional or other independent investors who and whose ultimate beneficial owners are Independent Third Parties.

The 22,897,000 Placing Shares represent (i) approximately 6.41% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.03% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the 22,897,000 Placing Shares is HK\$91,588.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The 22,897,000 Placing Shares are placed, the gross proceeds from the Placing are approximately HK\$7.24 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$0.6 million, are estimated to be approximately HK\$6.64 million. The Company intends to apply the net proceeds from the Placing as to approximately HK\$1 million for the repayment on interest of promissory notes due in the financial year ending 31 March 2019, HK\$2.5 million for the repayment of interests on bonds and the remaining balance of approximately HK\$3.14 million as general working capital of the Group.

Set out in the table below is the breakdown of the intended use of net proceeds from the Placing allocated for general working capital of the Group:

	Intended use of net proceeds Approximate amount (HK\$'000)
Particulars	
Rental expenses and general administrative expenses	785
Directors' remuneration and staff costs	785
Legal and professional fees	<u>1,570</u>
Total	<u><u>3,140</u></u>

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and settlement of the outstanding liabilities of the Group. The Placing will strengthen the Group's financial position, and enlarge Shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet its financial obligations.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company immediately before completion of the Placing and as a result of the completion of the Placing are as follows:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Mr. Zou Donghai	35,000,000	9.80%	35,000,000	9.21%
Dr. Ho Chun Kit Gregory	3,127,500	0.88%	3,127,500	0.82%
Dr. Zheng Jian Peng	2,640,000	0.74%	2,640,000	0.69%
Public Shareholders				
The Placees	–	–	22,897,000	6.03%
Other public Shareholders	<u>316,355,318</u>	<u>88.58%</u>	<u>316,355,318</u>	<u>83.25%</u>
Total	<u><u>357,122,818</u></u>	<u><u>100.00%</u></u>	<u><u>380,019,818</u></u>	<u><u>100.00%</u></u>

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

Hong Kong, 26 March 2019

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Rong Changjun, Mr. Zhang Wenrong, 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. Qin Shihui and Mr. He Wen.

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>.