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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

(1) TERMINATION OF SUBSCRIPTION AGREEMENTS, AND (2) INSIDE INFORMATION – UPDATE ON WINDING-UP PETITION

This announcement is made by China Oil Gangran Energy Group Holdings Limited (the “Company”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM made by the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (1) the announcement of the Company dated 23 April 2019 in respect of the subscription agreement between the Company and a subscriber of the subscription of 15,584,000 shares of the Company, and (2) the announcement of the Company dated 29 April 2019 regarding the winding-up petition against the Company (collectively, the “Announcements”). Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

1. TERMINATION OF THE SUBSCRIPTION AGREEMENT

The Company announces that since the condition of the Subscription set forth in the Subscription Agreement is not expected to be fulfilled in accordance with the terms of the Subscription Agreement by 15 May 2019. Accordingly, the Subscriber and the Company have mutually agreed to terminate the Subscription Agreement on 10 May 2019.

The termination of the Subscription Agreement is not expected to have any material adverse impact on current business and operation of the Group. The Company may consider engaging in further fund raising activities taking into account the Group’s needs and the market conditions.

2. UPDATES ON THE PETITION

(1) Alleged basis of the Petition

The Petitioner alleges that the Company and the Petitioner have entered into an agreement dated 12 November 2018, and the Company is indebted to the Petitioner due to its failure to repay the Petitioner with the amount of HK\$23,654,900.30, plus further daily interest of HK\$20,726.03 under the said agreement. Based on the above, the Petitioner alleges that the Company is unable to pay its debts and should be wound up by reasons of sections 327(3)(b) and 327(4)(a) of Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “Ordinance”)

(2) Potential impact of the Petition

Pursuant to the requirement of section 182 of the Ordinance, “in a winding-up by the court, and any disposal of property of the company (including things in action), and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up, shall, unless the court otherwise orders, be void.”

In addition, according to article 99 of the Cayman Islands Companies Law (2013 Revision), “when a winding up order has been made, any disposition of the company’s property and any transfer of shares or alteration in the status of the company’s members made after the commencement of the winding up is, unless the Court otherwise orders, void”

After the winding-up petition has been presented, the transfer of the shares made thereafter may be void without a validation order from the court under the laws and regulations applicable to the Company. So far as the Company has been made aware by the circular dated 28 December 2016 issued by the Hong Kong Securities Clearing Company Limited (the “HKSCC”), when the winding-up petition is carried out and in view of these restrictions and the uncertainties that may arise from the transfer of shares of the Company, for any participants who conduct shares transfer through HKSCC (the “Participants”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of CCASS to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into the Central Clearing and Settlement System (the “CCASS”). The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the winding-up petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court(s).

Investors should be aware of the aforementioned investment risks in relation to the Petition. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

(3) Actions of the Company in respect of the Petition

Since having received the Petition, the Company has actively negotiated with the Petitioner for a settlement and an amicable disposal of the matter under the Petition, and endeavored to agree on a joint application to dismiss the Petition. Meanwhile, up to the date of this announcement, the Company has kept considering possible fund raising activities (including but not limited to possible equity funding or shareholder's loan) to settle the outstanding amount under the Petition.

Based on the risk exposures as disclosed above, in order to eliminate the uncertainties associated with the transfer of shares of the Company arising from the Petition, the Company has consulted and engaged legal advisors to commence preparation for application for a validation order from the High Court of HKSAR, and such application is expected to be submitted to the High Court of HKSAR on or before 15 May 2019. This will provide legal protection to the greatest extent for the investors of shares of the Company, and will assist them to trade their shares continuously.

In addition, the Company is in the course of consulting with the legal advisors and financial advisors to determine the next steps and possible actions in respect of the Petition. The Company will actively respond to such matters and take all necessary actions to protect the legal rights of the Company. Further announcement will be made as and when appropriate in according to the GEM Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED
Zou Donghai
Chairman

Hong Kong, 10 May 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.chinaoilgran.com and <http://chinaoilgran.todayir.com>.