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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

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION AGREEMENT

THE SUBSCRIPTION AGREEMENT

On 5 July 2019, the Target Company and the Subscriber have entered into the Subscription Agreement pursuant to which the Target Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, the Subscription Shares at an aggregate Subscription Consideration of HK\$2,000,000.

Immediately prior to Completion, the Target Company is a direct wholly-owned subsidiary of the Company. Upon Completion, the Target Company will be held by the Company and the Subscriber as to 51% and 49%, respectively, will remain as a subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription is greater than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

On 5 July 2019, the Target Company and the Subscriber have entered into the Subscription Agreement pursuant to which the Target Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, the Subscription Shares at an aggregate Subscription Consideration of HK\$2,000,000.

THE SUBSCRIPTION AGREEMENT

Date: 5 July 2019

Parties: the Target Company; and the Subscriber

Immediately prior to Completion, the Target Company is a direct wholly-owned subsidiary of the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is an Independent Third Party prior to Completion.

Subscription

Pursuant to the Subscription Agreement, the Target Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, the Subscription Shares at an aggregate Subscription Consideration of HK\$2,000,000, payable in cash by the Subscriber or in such other manner as the Target Company may agree.

The Subscription Shares represent 49 new shares of the Target Company which shall be allotted and issued as fully paid or credited as fully paid. The Subscription Shares shall rank pari passu in all respects among themselves and with other shares of the Target Company in issue on the date of such allotment and issue.

Conditions precedent and Completion

Completion shall take place on the fifth (5) Business Day (or such other date as may be agreed by the Target Company) after the date of the Subscription Agreement when all (but not part only) of the following Conditions Precedent are fulfilled:

1. the Subscriber shall procure the delivery to the Target Company of:
 - (i) a cashier order drawn on a licensed bank in the amount of HK\$2,000,000, and
 - (ii) a letter applying for the Subscription Shares at the Subscription Consideration signed by the Subscriber substantially in the form specified in the Subscription Agreement;
2. the Target Company shall:
 - (i) allot and issue as fully paid to the Subscriber the Subscription Shares and shall procure that the Subscriber be registered in the register of members of the Target Company; and

- (ii) deliver to the Subscriber share certificate(s) in respect of the Subscription Shares issued to the Subscriber;
3. the Company shall have obtained the Board's resolution and the Shareholders' approval (if applicable) for the Target Company entering into the Subscription Agreement with the Subscriber; and
4. the Company shall have complied with all necessary requirements under the GEM Listing Rules in relation to the Subscription Agreement and the transactions contemplated hereunder (if required).

Immediately prior to Completion, the Target Company is a direct wholly-owned subsidiary of the Company. Upon Completion, the Target Company will be held by the Company and the Subscriber as to 51% and 49%, respectively, will remain as a subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group.

The Subscription Consideration was determined after arm's length negotiations between the parties to the Subscription Agreement with reference to, among other things, the net liabilities position of the Target Company, the registered capital of the Target Company immediately prior to the date of the Subscription Agreement and the proportion in the equity interests of the Target Company held by the parties upon Completion.

INFORMATION OF THE GROUP, THE SUBSCRIBER, THE TARGET COMPANY AND SUN FAIR (HK)

The Group is principally engaged in the oil and chemicals trading businesses.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is a PRC citizen and a businessman who is an Independent Third Party prior to Completion.

The Target Company is an investment holding company established in the British Virgin Islands with limited liability. As at the date of this announcement, the Target Company wholly-owns Sun Fair (HK) which is principally engaged in the manufacture and trading of power and data cords, and save and except for this, the Target Company does not carry out any other material activity.

Set out below is the unaudited consolidated financial information of the Target Company for the financial years ended 31 March 2018 and 31 March 2017 which has been consolidated into the Group's financial statements:

	For the year ended	
	31 March 2018	31 March 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	53,675	68,506
Gross profit	10,672	22,146
Total selling and administration expenses	24,631	25,227
Net (loss)/profit for the year	(11,143)	118
Total assets	86,526	79,816
Total liabilities	89,696	72,594
Net (liabilities)/assets	(3,170)	7,222

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT

The Company considers that the proceeds obtained by the Target Company from the Subscription can be used for settling certain expenses of the Target Company and for its general working capital. In addition, the Subscription can help the Target Company improve its financial positions. The Directors consider that the terms of the Subscription Agreement were negotiated at arm's length basis and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors have a material interest in relation to the transactions contemplated under the Subscription Agreement, and therefore none of the Directors have to abstain from voting in the Board resolution approving the Subscription Agreement.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription is greater than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	The board of Directors
“Business Day(s)”	day(s) (excluding Saturday and Sunday, public holiday in Hong Kong and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general business
“Company”	China Oil Gangran Energy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8132)
“Completion”	completion of the Subscription pursuant to the Subscription Agreement
“Conditions Precedent”	the conditions precedent to Completion
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and are not connected persons of the Company
“percentage ratios”	has the meaning ascribed thereto under the GEM Listing Rules

“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless context suggests otherwise, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Qin Junwang* (秦軍旺), a PRC citizen and an Independent Third Party before Completion
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement entered into between the Target Company and the Subscriber on 5 July 2019 in relation to the Subscription
“Subscription Consideration”	the consideration of the Subscription of HK\$2,000,000
“Subscription Shares”	the 49 new shares of the Target Company to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“Sun Fair (HK)”	Sun Fair Electric Wire & Cable (HK) Company Limited, a company established in Hong Kong which is principally engaged in the manufacture and trading of power and data cords
“Target Company”	Able One Investments Limited, a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company immediately prior to Completion
“%”	per cent.

In case of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.

** for identification purpose only*

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

Hong Kong, 5 July 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. Qin Shihui, Mr. He Wen and Mr. Clay Huen.

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>.