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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

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING; AND (2) DELAY IN PUBLICATION OF THE THIRD QUARTERLY RESULTS AND DESPATCH OF THE THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

This announcement is made by China Oil Gangran Energy Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 the announcements (the “**Announcements**”) of the Company dated 29 April 2019, 10 May 2019, 16 May 2019, 21 May 2019, 29 May 2019, 10 June 2019, 14 June 2019, 19 June 2019, 28 June 2019, 18 July 2019, 29 October 2019, 6 November 2019, 8 November 2019, 18 November 2019, 6 December 2019, 17 December 2019, 23 December 2019, 30 December 2019, 10 January 2020, 24 January 2020, 30 January 2020 and 6 March 2020 in relation to, among other things, (i) the Hong Kong Petition; (ii) the delay in (a) the publication of the 2019 Annual Results, the 2020 First Quarterly Results and the 2020 Interim Results; and (b) the despatch of the 2019 Annual Report, the 2020 First Quarterly Report and the 2020 Interim Report; (iii) the suspension of trading in the shares of the Company, the Resumption Guidance and the Additional Resumption Guidance; (iv) the Cayman Petition; (v) the MOU entered into between the Company and Hong Lin in relation to the subscription of new shares and subscription of new bonds in the Company; and (vi) the assignment and novation of all the rights, titles, benefits and interests in and under the MOU by Hong Lin to BAINENG Holdings Limited (“**Baineng**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

UPDATE ON STATUS OF THE RESUMPTION PLAN

The Board wishes to update the shareholders and potential investors of the Company that the Company is currently working closely with its professional advisers towards the fulfilment of the conditions set out in the Resumption Guidance and the Additional Resumption Guidance. Details of updates on the status of the resumption plan of the Company are set out below:

Updates on the status of the Cayman Petition

As set out in the Announcements, on 24 January 2020 (Hong Kong time), the Board received the sealed Court Order (the “**Order**”) dated 20 January 2020 in relation to the Company’s written application to the Grand Court of the Cayman Islands to seek an adjournment of the Cayman Petition. As set out in the Order, the Grand Court of the Cayman Islands has ordered that, among others, the Cayman Petition is adjourned to be heard on the earliest available date after 1 July 2020.

On 30 January 2020 (Hong Kong time), the Board received the Notice of Hearing (the “**Notice of Hearing**”) dated 29 January 2020 in relation to the Cayman Petition. As set out in the Notice of Hearing, the hearing of the Cayman Petition will take place at the Grand Court of the Cayman Islands on 31 July 2020 at 1:00 p.m. (Cayman Islands time).

Updates on the Proposed Restructuring

On 6 March 2020, the Company entered into the Deed of Assignment and Novation with Hong Lin, Baineng and Xu Tianduo pursuant to which (a) Hong Lin has assigned to Baineng all its rights, titles, benefits and interests in and under the MOU (including the Non-Refundable Deposit under the MOU); and (b) Baineng has undertaken to each of Hong Lin and the Company to be bound by and to observe and perform the terms, conditions and covenants of the MOU on the part of Hong Lin, and to assume all liabilities of Hong Lin under the MOU from the date of the Deed of Assignment and Novation.

Progress of implementing the resumption plan

Commencement of audit work for FY2019 by HLM CPA Limited

Following various discussions between the Board and HLM CPA Limited (“**HLM CPA**”), the Company has reached an agreement with HLM CPA in relation to the proposed settlement of the Outstanding Audit Fees. Hence, the Company has agreed to continue to engage HLM CPA as the Company’s auditor and HLM CPA has agreed to commence the audit of the Group’s financial statements for the financial year ended 31 March 2019 (“**FY2019**”).

Appointment of internal control consultant

On 20 March 2020, the Company engaged Elite Partners Risk Advisory Services Limited (“**Elite Partners**”) as the internal control consultant to perform an independent review on the internal control system of the Group to address whether adequate internal control system of the Group has been in place to meet the obligations under the GEM Listing Rules, which is one of the conditions set out in the Additional Resumption Guidance.

The scope of work of Elite Partners will include, among others, a review on the Group’s implementation of certain recommendations from HK KCBC CPA Limited, being the Company’s former internal control consultant, as follows:

- (i) quality of documentation in respect of payment process;
- (ii) quality of documentation in respect of entering into material contracts and related follow-up procedures; and
- (iii) financial reporting and monitoring cycle of the Group.

Elite Partners will also perform a review on internal control procedures of the Group for the financial period from 1 April 2018 to 31 March 2020 in order to evaluate the Group’s internal controls in respect of risk management, corporate governance, financial recording and reporting procedures, investment procedures, treasury function, sales and receipts, purchase and payment and human resources management.

Preparation of the resumption proposal

The Company is also in the process of preparing the resumption proposal and is expected to submit the resumption proposal to the Stock Exchange in the second quarter of 2020. The Company will provide an update on the resumption plan as and when required.

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

The Group is principally engaged in the following businesses: (i) the manufacture and sale of power cords and inlet sockets for household electric appliances as well as power and data cords for mobile phones and medical control devices (the “**Power and Data Cords Business**”); (ii) the trading of mobile smart phones accessories; (iii) the development of digital applications, including handheld electronic game

consoles, mobile game applications, digital marketing solutions; (iv) the liquefied natural gas, compressed natural gas and other related clean energy businesses (the “**LNG Business**”); (v) refined oil retail business (the “**Refined Oil Business**”); and (vi) trading of Methyl tert-butyl ether (the “**MTBE Business**”).

Business review

The Power and Data Cords Business

Based on the latest information available to the Board, the Group experienced a slight decrease in the sales of power cords and inlet sockets for household electric appliances, power and data cords for mobile phones and medical control devices for the 11 months ended 29 February 2020 as compared with the corresponding period in 2019 due to the COVID-19 Outbreak (as defined below) leading to a temporary delay in production and shipments.

The LNG Business, the Refined Oil Business and the MTBE Business

Following the appointment of the Directors in February and March 2020, the current Board has been actively exploring new business opportunities in respect of the LNG Business, the Refined Oil Business and the MTBE Business.

The Group is currently in the process of negotiating with a potential purchaser in relation to the entering into an agreement for the supply of certain amount of liquified natural gas by the Group. The Group is also approaching a new potential business partner for entering into a strategic consulting service agreement pursuant to which the Group will provide certain comprehensive strategic consultancy services relating to the oil and energy business of such business partner.

During the course of the audit of the Group’s financial statements for FY2019, the Directors became aware in recent months that the Group was unable to obtain the books and records from 江西中油港燃能源科技有限公司 (transliterated as Jiangxi China Oil Gangran Energy Technology Company Limited) (“**Jiangxi China Oil**”) and 舟山中油港燃石油化工有限公司 (transliterated as Zhoushan China Oil Gangran Petroleum and Chemical Company Limited) (“**Zhoushan China Oil**”), companies engaged in the LNG Business, the Refined Oil Business and MTBE Business. The Group had formally requested Jiangxi China Oil and Zhoushan China Oil to provide necessary assistance in relation to the audit and the preparation of the Group’s management accounts, and did not receive any response as at the date of this announcement. The Group will consider to seek for professional advice for the possible ways to resolve the abovesaid situation.

Following the outbreak of the novel coronavirus (the “**COVID-19 Outbreak**”) in early 2020, a series of precautionary and control measures have been and continued to be implemented in the PRC, including but not limited to travel restrictions and new border control measures to prevent the spread of the coronavirus. If the COVID-19 remains protracted, the Group’s performances would be negatively impacted. The Board will continue to assess the impact of the COVID-19 Outbreak on the Group’s operation and financial performance and closely monitor the Group’s exposure to the risks and uncertainties in connection with the COVID-19 Outbreak.

DELAY IN PUBLICATION OF THE THIRD QUARTERLY RESULTS AND DESPATCH OF THE THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

The Company announces that as the publication of the 2019 Annual Results, the 2020 First Quarterly Results and the 2020 Interim Results were still pending, the Company was unable to publish the announcement of its third quarterly results (the “**2020 Third Quarterly Results**”) for the nine months ended 31 December 2019 and despatch its third quarterly report (the “**2020 Third Quarterly Report**”) for the nine months ended 31 December 2019 within the timeframe required under the GEM Listing Rules, i.e. 14 February 2020.

The Company will publish further announcement in due course to inform the Shareholders and potential investors in relation to the publication of the 2019 Annual Results, the 2020 First Quarterly Results, the 2020 Interim Results and the 2020 Third Quarterly Results and the despatch of the 2019 Annual Report, the 2020 First Quarterly Report, the 2020 Interim Report and the 2020 Third Quarterly Report.

CONTINUED SUSPENSION OF TRADING

Trading in Shares has been suspended since 2 July 2019 pending the fulfilment of the conditions set out in the Resumption Guidance and the Additional Resumption Guidance. The Company is working closely with its professional advisers towards the resumption of trading in the Company’s shares as soon as possible.

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
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Yeung Shing Wai
Executive Director

Hong Kong, 2 April 2020

As at the date of this announcement, the executive Directors are Mr. Rong Changjun, Mr. Zhang Wenrong, Mr. Yuan Beisheng, Ms. Hui Sai Ha, Mr. Yeung Shing Wai, Mr. Chen Tian Gang, Mr. Li Shu Wang and Mr. Zhang Shao Wu and the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Chiam Tat Yiu and Mr. Chan Wai Cheung Admiral.

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>.