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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

INSIDE INFORMATION STRATEGIC COOPERATION FRAMEWORK AGREEMENT

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(2)(a) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 10 October 2021, the Company, Yantai Yindu Industry Co., Ltd.* (煙臺銀都實業有限公司) (“**Yantai Yindu**”) and Shandong Pan-Asia International Energy Distribution Center Co., Ltd.* (山東環亞國際能源集散中心有限公司) (“**Shandong Pan-Asia**”) entered into a non-legally binding strategic cooperation framework agreement (the “**Framework Agreement**”). Pursuant to the Framework Agreement, Yantai Yindu proposes to sell, and the Company or its designated subsidiary proposes to acquire 51% equity interests in Shandong Pan-Asia (the “**Possible Transaction**”), which shall result in the investment in (1) the equity interest in Yantai Xigang liquefied natural gas (“**LNG**”) receiving terminal, as well as obtaining its access rights and operation and management rights; and (2) the equity interest in the LNG gas pipelines, as well as obtaining their access rights and operation and management rights, both of which are invested by Shandong Pan-Asia. After the completion of acquisition of 51% equity interests in Shandong Pan-Asia, the Company intends to develop and operate LNG import and trading business domestically and internationally where appropriate, and downstream sales and marketing in the People’s Republic of China (the “**PRC**”) through Shandong Pan-Asia or its subsidiaries.

* For identification purposes only

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

Date: 10 October 2021

Parties: (1) the Company
(2) Yantai Yindu
(3) Shandong Pan-Asia

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Yantai Yindu, Shandong Pan-Asia and their ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

POSSIBLE TRANSACTION

Yantai Yindu proposes to sell and the Company or its designated subsidiary proposes to acquire 51% equity interests in Shandong Pan-Asia.

EXCLUSIVITY

In accordance with the Framework Agreement, Yantai Yindu agrees that it would only conduct discussion or negotiation in respect of the Possible Transaction with the Company and its subsidiaries and its designated entities for a period of six months from the date of signing of the Framework Agreement (or any other date as agreed by other parties thereto in writing) (the “**Exclusivity Period**”), and it undertakes that its subsidiaries or its directors, officers, employees, agents or consultants will not, directly or indirectly, discuss or negotiate or enter into any binding agreement with other third parties in respect of the Possible Transaction or any matters involving the direct or indirect investment in Shandong Pan-Asia, Yantai Xigang LNG projects and the relevant project companies in respect of the Yantai Xigang LNG projects (including but not limited to Shandong Poly-GCL Pan-Asia International Energy Co., Limited* (山東保利協鑫環亞國際能源有限公司) and Shandong Lixin Natural Gas. Co., Ltd.* (山東利鑫天然氣有限公司)).

FINAL TRANSACTION DOCUMENT

The Company, Yantai Yindu and Shandong Pan-Asia agree to use their respective best endeavours to enter into a binding equity transfer agreement (the “**Final Transaction Document**”) within 90 days after signing of the Framework Agreement.

DUE DILIGENCE

After signing of the Framework Agreement, the Company shall have the right to conduct legal and financial due diligence on Shandong Pan-Asia, Yantai Xigang LNG projects and the relevant project companies in respect of Yantai Xigang LNG projects (including but not limited to Shandong Poly-GCL Pan-Asia International Energy Co., Limited and Shandong Lixin Natural Gas. Co., Ltd.) (the “**Project Due Diligence**”). Yantai Yindu and Shandong Pan-Asia will cooperate with the Project Due Diligence carried out by the Company and provide necessary information.

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LEGAL EFFECT

Excluding (among other things) exclusivity, confidentiality, termination, expenses, legal effect and applicable laws, the Framework Agreement does not constitute a legally-binding agreement regarding the Possible Transaction by Yantai Yindu, Shandong Pan-Asia and the Company.

The Framework Agreement shall be terminated upon the earlier of: (1) the date of signing of the Final Transaction Document; or (2) other dates as negotiated and agreed by other parties to the Framework Agreement.

INFORMATION ON SHANDONG PAN-ASIA

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shandong Pan-Asia is a company established in the PRC in 2016, principally engaged in port terminals and warehouse management. As the major shareholder, Shandong Pan-Asia involved in the preparation, development and construction of Yantai Xigang LNG receiving terminal project and the LNG gas pipelines project. Phase I of Yantai Xigang LNG receiving terminal developed a LNG receiving berth and auxiliary storage tank facilities, with processing capability of 6 million tonnes per year in aggregate. It has commenced construction in 2020, and it is expected to put into operation by the end of 2023. LNG gas pipelines run 537 kilometers across the main natural gas consumption regions in Shandong province, with a diameter of 1,219mm. Its designed transmission capacity is 23 billion cubic meters per year, and it is expected to put into operation in 2023.

GENERAL

If the Possible Transaction materialises, it will constitute a notifiable transaction of the Company under the GEM Listing Rules. The Company will comply with the relevant provisions under the GEM Listing Rules in due course. If any Final Transaction Document is entered into by the Company, the Company will make further announcement regarding the Possible Transaction.

As the Possible Transaction may or may not materialise, shareholders and potential investors of the Company 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
Leung Wing Cheong Eric
Chairman

Hong Kong, 10 October 2021

As at the date of this announcement, the executive Directors are Mr. Sun Jiusheng, Mr. Yeung Shing Wai, Mr. Cheung Yip Sang, Mr. Ma Shenyuan and Mr. Li Dewen; non-executive Director is Mr. Leung Wing Cheong Eric; and the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Lim Haw Kuang and Mr. Lui Ho Ming Paul.

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 website of the GEM at <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.chinaoilgangrants.com.