

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

The board (the “**Board**”) of directors (the “**Directors**”) of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2020. This announcement, containing the full text of the third quarterly report for the nine months ended 31 December 2020 of the Company (“**Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany the preliminary announcement of quarterly results. The printed version of the Third Quarterly Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner required by the GEM Listing Rules.

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, the Additional Resumption Guidance and the Further 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, 10 February 2021

As at the date of this announcement, the executive Directors are Mr. Rong Changjun (duties suspended), Mr. Zhang Wenrong, Mr. Yuan Beisheng, 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, Mr. Chan Wai Cheung Admiral and Mr. Cha Ho Wa.

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.chinaoilgangrans.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of China Oil Gangran Energy Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The unaudited revenue of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2020 (the “Financial Period”) was approximately HK\$94.9 million, representing an increase of approximately 177% from approximately HK\$34.3 million for the corresponding period last year. Such increase in the unaudited revenue was mainly attributable to the introduction of new products, namely headsets for adults and kids and hospital room control hub, since the fourth quarter of the year ended 31 March 2020.

The Group’s unaudited loss attributable to the Company’s owners decreased to approximately HK\$9.9 million from approximately HK\$23.0 million for the corresponding period last year. The decrease was mainly due to the decrease of directors’ emoluments, the decrease of share based payment expense and the decrease of interest on other loan as compared to the corresponding period last year.

The board (the “Board”) of the Directors does not recommend to pay dividend for the Financial Period.

DECONSOLIDATION OF SUBSIDIARIES LOST CONTROL

On 1 January 2019, the date when the Group lost control of 江西中油港燃能源科技有限責任公司 (transliterated as “Jiangxi China Oil Gangran Energy Technology Company Limited”), 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”), 江西港燃貿易有限公司 (transliterated as “Jiangxi Gangran Trading Company Limited”) and 吉林中油港燃能源開發有限公司 (transliterated as “Jilin China Oil Gangran Energy Development Company Limited”) (collectively, “Deconsolidated Subsidiaries”), which were the subsidiaries of the Company which engaged in the refined oil retail business and trading of methyl tert-butyl ether. Hence, the Group no longer consolidated the financial position and performance of the Deconsolidated Subsidiaries since 1 January 2019 (the “Deconsolidation of Subsidiaries”).

FORMATION OF THE SPECIAL INVESTIGATION COMMITTEE

On 18 December 2020, the special investigation committee (the “SIC”), initially comprising all the independent non-executive Directors, namely Mr. Chu Kin Ming, Mr. Chiam Tat Yiu, Mr. Chan Wai Cheung Admiral and Mr. Cha Ho Wa, has been established pursuant to a resolution of the Board for the purpose of, among other things, investigating and reporting on various matters and events leading to and/or otherwise relating to the Deconsolidation of Subsidiaries. Mr. Cha Ho Wa has been appointed as the chairman of the SIC. The SIC may also appoint other professional advisers to assist in its investigation.

FORENSIC INVESTIGATION IN RELATION TO THE DECONSOLIDATION OF SUBSIDIARIES

On 18 December 2020, the Company has engaged Frank Forensic and Corporate Recovery Limited, an independent professional firm, to undertake the forensic investigation in relation to the Deconsolidation of Subsidiaries. The scope of work of the forensic investigation will include, among others, the following: (i) to identify any potential breach of fiduciary duties of the directors of the Group in relation to the Loss of Books and Records and the loss of control of the Deconsolidated Subsidiaries; (ii) to investigate the cause of the loss of control of the Deconsolidated Subsidiaries; and (iii) to present their findings on items (i) and (ii) in a report to be addressed to the SIC.

BUSINESS REVIEW

During the Financial Period, the Group was principally engaged in the following businesses: (i) power and data cords business; (ii) trading of refined oil and chemicals business; and (iii) trading of commodities.

In terms of the geographical market performance, the United States and the PRC contributed to approximately 14.9% (2019: approximately 41.5%) and approximately 53.1% (2019: approximately 46.4%) of the Group's total unaudited revenue respectively, while the remaining approximate 32.0% (2019: approximately 12.1%) came from its other markets, including Taiwan and Hong Kong.

POWER AND DATA CORDS BUSINESS

The three key product groups for power and data cords business were (i) power and data cords for mobile handsets and personal care products; (ii) medical control devices; and (iii) power cords and inlet sockets for household electric appliances. Each product group has its own types of products. During the Financial Period, the Group manufactured over 40 types of power and data cords for mobile handsets and personal care products, and over 450 types of power cords and inlet sockets for household electric appliances. The Group will also continue to involve in the assembly and sale of medical control devices, which are primarily used by patients in hospital wards and the related accessories.

(i) Power and data cords for mobile handsets and personal care products

Power and data cords for mobile handsets and personal care products consist of 2-pin cables and connectors and are generally used for power charging to mobile handset and personal care products. The diameters of stranded copper wires are ranged from 0.26 mm to 2.4 mm and carry low voltage electricity of up to three amperes. In accordance with its customers' specifications, the Group manufactures over 40 different types of power and data cord for mobile handsets and personal care products.

During the Financial Period, the Group's unaudited revenue from power and data cords for mobile phones increased by of approximately 222.7% to approximately HK\$49.7 million (2019: approximately HK\$15.4 million) for the Financial Period. The increase was due to the introduction of new products, headsets for adults and kids, since the fourth quarter of the year ended 31 March 2020.

BUSINESS REVIEW *(Continued)***POWER AND DATA CORDS BUSINESS** *(Continued)***(ii) Medical control devices**

Medical control device is a bedside multi-function device for patients in wards. The medical control device products of the Group consist of pillow speaker, bed control, bed cable and call cord. Pillow speaker could be produced with different specifications from simple version of 1-button pillow speaker capable for emergency communication and lighting control functions to advanced version of 26-button pillow speaker capable for emergency communication, television, and lighting temperature control in a ward. The pillow speakers sold by the Group are in the form of dismantled parts and components including all necessary components for a pillow speaker such as power cable, PCB and plastic body etc. for further assembly by customers after delivery. Materials used for the manufacturer of medical control device are sourced by the Group based on the requirements of, and have been approved by, its customer, which is a medical equipment manufacturer in the United States. Although the Group will occasionally provide advice and input, the design of the medical control device originates from the customer who will closely monitor and have overall control and the ultimate decision on matters relating to the design, use of materials and ultimate assembly of medical control devices. All parts and components of the medical control devices manufactured by the Group's medical control device products were exported to the customer for further assembly and processing into its final products for sales to hospitals and clinics. Testing will also be conducted by the customer to ensure the final products comply with the relevant US regulatory requirements.

During the Financial Period, the Group's unaudited revenue from medical control devices was approximately HK\$41.5 million (2019: approximately HK\$14.2 million), representing an increase of approximately 192.3%, which was due to the new products, hospital room control hub, introduced since the fourth quarter of the year ended 31 March 2020.

(iii) Power cords and inlet sockets for household electric appliances

Power cords for household electric appliances are generally non-halogen free and carry normal voltage electricity up to 250 voltage. Different countries have different safety, power voltage and environmental standards for household electric appliances and there are more than 10 types of sockets in widespread use around the world. Plugs with different number of prongs on power cords are used in different countries. For instance, the European Union standard plugs manufactured by the Group are mainly 250 voltage plugs with cylindrical prongs while the US standard plugs manufactured by the Group are 125 voltage plugs with strip-like prongs. Some of the Group's power cords and inlet sockets for household electric appliances with safety approvals and/or certificates such as CSA, VDE, PSE, ASTA, CCC bear the trademark "SUN FAIR". Some of the Group's products meet eleven types of international safety standards including UL, CSA, VDE, NEMKO, SEMKO, FIMKO, SEV, DEMKO, OVE, KEMA, CCC, and ENEC.

During the Financial Period, the Group's unaudited revenue from power cords and inlet sockets for household electric appliances was approximately HK\$3.7 million (2019: approximately HK\$4.6 million) in the Financial Period, representing a decrease of approximately 19.6% due to fierce market competition in this sector.

BUSINESS REVIEW *(Continued)*

TRADING OF COMMODITIES

The Group's trading of commodities mainly included the trading of mobile smart phones, glassed and other commodities.

The Group's unaudited revenue from the trading of commodities was nil (2019: approximately HK\$0.1 million) for the Financial Period.

TRADING OF REFINED OIL AND CHEMICALS BUSINESS

Due to the deconsolidation of the financial position and performance for the Deconsolidated Subsidiaries since 1 January 2019, no revenue was recorded during the Financial Period and the corresponding period last year.

The Group continued to explore opportunities in the clean energy segment. A legally binding consultancy contract was signed between the Group and a gas company in March 2020 for a term of one year from March 2020 to March 2021 whereby the Group will provide strategic consultancy services regarding the plan and development of the customer's energy business. The Group estimated revenue and gross profit from this contract amount to approximately HK\$2.2 million and HK\$2.2 million respectively. The contract with the said gas company has started in May 2020 but due to the outbreak of the COVID-19 pandemic, completion of the contract is expected to be delayed to August 2021.

Further, a legally binding liquefied natural gas supply contract was signed between the Group and an energy company in March 2020 pursuant to which the Group will provide liquefied natural gas to the customer during the period from July 2020 to December 2020. It is expected that the Group will supply approximately 20,000 tonnes of liquefied natural gas to the said gas company during the contract period. The contract with the said gas company is expected to commence after the resumption of trading of the shares as the Board considered that it would be in the interest of the Company and the shareholders as a whole to prioritise and place the Group's financial resources, as well as management and business resources, to focus on the power and data cords business, which generally has higher profit margin and sustainable revenue growth after taking into consideration of (i) the current business operations and financial position of the Group; and (ii) the impacts from the COVID-19 pandemic which is beyond the Group's control. The management of the Group is currently in negotiation with the said gas company to extend the contract period, which is expected to commence in May 2021.

UPDATE ON STATUS OF THE RESUMPTION PLAN

Based on the resumption plan submitted to the Stock Exchange, the Company will undertake the proposed restructuring involving, among others, (i) the subscriptions; (ii) the convertible bonds subscriptions; and (iii) the creditors' schemes.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 23 December 2020, the Company entered into a subscription agreement with the subscribers pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have conditionally agreed to subscribe for, 1,140,059,454 subscription shares (as to 900,646,969 subscription shares by the first subscriber, 195,710,206 subscription shares by the second subscriber and 43,702,279 subscription shares by the third subscriber), at the subscription price of HK\$0.0307693 per subscription share. For details, please refer to the announcement of the Company dated 23 December 2020.

SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 23 December 2020, the Company entered into a convertible bonds subscription agreement with the subscribers pursuant to which the Company has conditionally agreed to issue, and the subscribers have conditionally agreed to subscribe for, the convertible bonds in the aggregate principal amount of HK\$4,921,216 (as to HK\$3,887,760.64 to the first subscriber, HK\$844,808.75 to the second subscriber and HK\$188,646.61 to the third subscriber). For details, please refer to the announcement of the Company dated 23 December 2020.

THE CREDITORS' SCHEMES

It is proposed that the creditors' schemes will be implemented by making cash payment of approximately HK\$20 million to the creditors from the consideration to be received by the Company from the allotment and issue of the subscription shares, subject to validity of the claim of the creditors. Subject to the approval of the creditors, shareholders, relevant regulators and relevant courts, all the claims against, and liabilities of, the Company will be compromised and discharged in full upon the creditors' schemes taking effect. The Company will provide an update on the creditors' schemes as and when appropriate.

OUTLOOK

During the Financial Period, the global economic environment is still deeply fluctuating. The medium-to-long-term economic growth of United States has slowed down. Falling commodity price, the declining global industrial output and depressed trading added to the uncertainties. Despite the challenging macro-economic conditions, the Group recorded an 177% increase in unaudited revenue of sales of power and data cords and inlet sockets as compared to the corresponding period last year due to the introduction of new products since the fourth quarter of the year ended 31 March 2020. The Group will continue to look for business opportunities in order to increase the revenue and profit of existing products and will expand its business by introducing new products.

Despite the Deconsolidation of Subsidiaries, the Group currently intends to continue the operation of the trading of refined oil and chemicals business but will take a conservative approach with regards to any development and/or expansion plans for this business segment. After conducting a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group, the Board considered that it would be in the interest of the Company and its shareholders to place its financial resources, as well as management and business focus on the power and data cords business, yet will continue to explore business opportunities in trading of refined oil and chemicals business.

THIRD QUARTERLY UNAUDITED RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the Financial Period together with the comparative figures for the nine months ended 31 December 2019 (“the Corresponding Period”) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2020

	Note	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	3	34,161	10,722	94,928	34,269
Cost of sales		(27,804)	(6,340)	(76,877)	(23,067)
Gross profit		6,357	4,382	18,051	11,202
Other income and gain or (loss), net	4	983	336	3,624	9,393
Selling expenses		(477)	(525)	(1,822)	(1,734)
Administrative expenses		(3,311)	(7,716)	(14,531)	(27,060)
Profit/(loss) from operations		3,552	(3,523)	5,322	(8,199)
Finance costs	5	(2,876)	(4,584)	(9,315)	(13,066)
Profit/(loss) before tax		676	(8,107)	(3,993)	(21,265)
Taxation	6	(783)	3,262	(1,468)	2,818
Loss for the period		(107)	(4,845)	(5,461)	(18,447)
Other comprehensive income (expense):					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange reserve released on deregistration of subsidiary		—	(2,422)	—	(1,211)
Exchange differences on translating foreign operations		82	8,502	136	2,045
Total comprehensive (expense) income for the period		(25)	1,235	(5,325)	(17,613)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the three and nine months ended 31 December 2020

	Note	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
(Loss)/Profit for the period attributable to:					
Owners of the Company		(2,070)	(8,609)	(9,877)	(23,046)
Non-controlling interests		1,963	3,764	4,416	4,599
		<u>(107)</u>	<u>(4,845)</u>	<u>(5,461)</u>	<u>(18,447)</u>
Total comprehensive (expense) income for the period attributable to:					
Owners of the Company		(2,027)	(1,848)	(9,840)	(21,536)
Non-controlling interests		2,002	3,083	4,515	3,923
		<u>(25)</u>	<u>1,235</u>	<u>(5,325)</u>	<u>(17,613)</u>
		HK cents	HK cents	HK cents	HK cents
Loss per share					
Basic	7	<u>(0.5)</u>	<u>(2.3)</u>	<u>(2.6)</u>	<u>(6.1)</u>
Diluted	7	<u>(0.5)</u>	<u>(2.3)</u>	<u>(2.6)</u>	<u>(6.1)</u>

NOTES TO THE THIRD QUARTERLY UNAUDITED RESULTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Flat O, 10/F., Yue Cheung Centre, 1-3 Wong Chuk Yeung Street, Fo Tan, New Territories, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

The Company is an investment holding company. The principal activities of the Group are (i) power and data cords business; (ii) trading of refined oil and chemicals business; and (iii) trading of commodities.

2. BASIS OF PREPARATION

The third quarterly unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the GEM Listing Rules. The principal accounting policies used in the third quarterly unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's consolidated financial statements for the year ended 31 March 2020.

The HKICPA has issued a number of new and revised HKFRSs. For those which are relevant to the Group's operations and effective for its accounting period beginning on 1 April 2020, the adoption has had no material impact on the Group's accounting policies, the presentation, the reported results and the financial position of the Group for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs which have been issued but are not yet effective. The Group is currently in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether they would have a material impact on the Group's results and financial position.

3. REVENUE

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Sales of power and data cords and inlets sockets and trading of commodities	34,161	10,722	94,928	34,269

4. OTHER INCOME AND GAIN OR (LOSS), NET

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Interest income	2	2	5	8
Net foreign exchange losses	(250)	(92)	(236)	(151)
Sundry income	1,231	426	3,567	1,449
Gain on disposal of subsidiary	—	—	288	—
Gain arising on deregistration of subsidiary	—	—	—	5,731
Reversal of impairment of trade receivables	—	—	—	2,356
	983	336	3,624	9,393

5. FINANCE COSTS

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Effective interest expenses on convertible notes	123	332	808	950
Effective interest expenses on promissory notes payable	1,495	1,747	5,092	5,168
Interest on unsecured interest- bearing bonds	196	195	602	602
Interest on secured bank loan	71	302	251	640
Interest on other loans	771	1,967	2,018	5,580
Interest on lease liabilities	220	41	544	126
	2,876	4,584	9,315	13,066

6. TAXATION

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Hong Kong Profits Tax				
- provision for the period	818	—	2,284	—
- over-provision in prior year	—	(415)	—	(3,783)
PRC Enterprise Income Tax				
- (over-provision)/provision for the period	(35)	(2,847)	—	965
	783	(3,262)	2,284	(2,818)
Reversal of temporary differences	—	—	(816)	—
	783	(3,262)	1,468	(2,818)

6. TAXATION *(Continued)*

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Pursuant to the Enterprise Income Tax rules and regulations of the PRC, the PRC subsidiaries of the Group are subject to Enterprise Income Tax at a rate of 25% for the Financial Period and the Corresponding Period.

7. LOSS PER SHARE

(a) Basic loss per share

For the three months ended 31 December 2020, basic loss per share is calculated by dividing the unaudited loss attributable to owners of the Company of approximately HK\$2,070,000 (2019: approximately HK\$8,609,000) by the weighted average number of ordinary shares of 380,019,818 (2019: 380,019,818) in issue for the Financial Period.

For the nine months ended 31 December 2020, basic loss per share is calculated by dividing the unaudited loss attributable to owners of the Company of approximately HK\$9,877,000 (2019: approximately HK\$23,046,000) by the weighted average number of ordinary shares of 380,019,818 (2019: 380,019,818) in issue for the Financial Period.

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share as the outstanding convertible notes and share options have anti-dilutive effects on basic loss per share for the Financial Period and the Corresponding Period.

8. DIVIDEND

The Board does not recommend the payment of an dividend for the nine months ended 31 December 2020 (2019: Nil).

9. RESERVES

	Attributable to owners of the Company										
	Share capital	Share premium	Statutory reserve	Convertible notes equity reserve	Equity transaction reserve	Foreign currency translation reserve	Share based capital reserve	Accumulated loss	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2019 (Audited)	1,520	703,768	3,918	2,215	—	(1,368)	50,794	(834,659)	(73,812)	(90)	(73,902)
Total comprehensive income (expenses) for the period	—	—	—	—	—	1,510	—	(23,046)	(21,536)	3,923	(17,613)
Deemed partial disposal of subsidiaries without loss of control	—	—	(1,920)	—	3,030	909	—	1,011	3,030	(1,030)	2,000
Recognition of share options	—	—	—	—	—	—	6,971	—	6,971	—	6,971
Share options lapsed	—	—	—	—	—	—	(5,212)	5,212	—	—	—
At 31 December 2019 (Unaudited)	1,520	703,768	1,998	2,215	3,030	1,051	52,553	(851,482)	(85,347)	2,803	(82,544)
At 1 April 2020 (Audited)	1,520	703,768	1,998	2,215	3,030	(2,091)	52,553	(860,362)	(97,369)	3,278	(94,091)
Total comprehensive income/ (expenses) for the period	—	—	—	—	—	37	—	(9,877)	(9,840)	4,515	(5,325)
Share option lapsed	—	—	—	—	—	—	(4,747)	4,747	—	—	—
At 31 December 2020 (Unaudited)	1,520	703,768	1,998	2,215	3,030	(2,054)	47,806	(865,492)	(107,209)	7,793	(99,416)

10. CAPITAL COMMITMENTS

	31 December 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of intangible asset contracted for but not fully provided in the consolidated financial statements	—	2,230

11. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2020 and 31 March 2020.

SHARE OPTION SCHEME

The Company has a share option scheme (“Scheme”) which was adopted pursuant to a resolution of the sole shareholder passed on 27 April 2011. The purpose of the Scheme is to attract, retain and motivate talented participants (as defined below), to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the Participants to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Group attained through their efforts and contributions.

The Scheme became effective on 27 April 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the Scheme. The terms of the Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules.

Eligible participants (the “Participants”) of the Scheme include the following:

- a. any executive or non-executive Director including any independent non-executive Director or any employee (whether full-time or part-time) of any member of the Group;
- b. any adviser or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group;
- c. any provider of goods and/or services to the Group;
- d. any other person who the board considers, in its sole discretion, has contributed to the Group; and
- e. any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any of those of (a), (b), (c) and (d) above.

Particulars of the share options to subscribe for Shares granted by the Company pursuant to the Share Option Scheme for the Financial Period are set out below:

Grantee	Date of grant	Exercise price (Note 2)	Exercise period of share options	Outstanding as at 1 April 2020 (Note 1)	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 31 December 2020	Market value	Weighted	Approximate % of the Company's total issued share capital as at 31 December 2020
									per share immediately before the date of grant of options (Note 2)	average closing price per share immediately before the date of exercise of options	
Executive Directors:											
Rong Changjun	21 April 2017	HK\$2.52	21 April 2017 – 20 April 2020	2,640,000	–	–	(2,640,000)	–	HK\$2.4	–	–
	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,000,000	–	–	–	3,000,000	HK\$0.36	–	0.79%
Yuan Beisheng	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,500,000	–	–	–	3,500,000	HK\$0.36	–	0.92%
Zhang Wenrong	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,000,000	–	–	–	3,000,000	HK\$0.36	–	0.79%
Ex-executive Directors:											
Hui Sai Ha	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,500,000	–	–	–	3,500,000	HK\$0.36	–	0.92%
Zou Donghai	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,800,000	–	–	(3,800,000)	–	HK\$0.36	–	–
Zheng Jian Peng	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	3,800,000	–	–	(3,800,000)	–	HK\$0.36	–	–
Other Categories:											
Consultants in aggregate	10 October 2013	HK\$7.82	10 October 2013 – 9 October 2023	1,375,000	–	–	–	1,375,000	HK\$7.6	–	0.36%
	13 January 2014	HK\$4.28	13 January 2014 – 12 January 2024	2,750,000	–	–	–	2,750,000	HK\$6.16	–	0.72%
	14 July 2014	HK\$5.12	14 July 2014 – 13 July 2024	3,650,000	–	–	–	3,650,000	HK\$5.2	–	1.01%
	21 August 2014	HK\$4.52	21 August 2014 – 20 August 2024	1,375,000	–	–	–	1,375,000	HK\$4.8	–	0.36%
	16 February 2015	HK\$3.28	16 February 2015 – 15 February 2025	2,179,250	–	–	–	2,179,250	HK\$3.4	–	0.57%
	17 March 2015	HK\$3.68	17 March 2015 – 16 March 2025	3,121,200	–	–	–	3,121,200	HK\$3.52	–	0.82%
	11 April 2018	HK\$1.04	11 April 2018 – 10 April 2021	2,112,500	–	–	–	2,112,500	HK\$0.92	–	0.56%
16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	11,000,000	–	–	–	11,000,000	HK\$0.36	–	2.89%	
Employees	11 April 2018	HK\$1.04	11 April 2018 – 10 April 2021	8,450,000	–	–	–	8,450,000	HK\$0.92	–	2.22%
	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	4,100,000	–	–	–	4,100,000	HK\$0.36	–	1.08%

Note:

- Save for the share options granted on 16 April 2019, the number of underlying shares comprised in outstanding share options has been adjusted as a result of the share subdivision and/or the share consolidation becoming effective on 25 March 2014, 30 September 2016 and 29 November 2018.
- Save for the share options granted on 16 April 2019, the exercise price and the market value per share immediately before the date of grant of options of the outstanding share options have been adjusted as a result of the share subdivision and/or the share consolidation becoming effective on 25 March 2014, 30 September 2016 and 29 November 2018.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2020, the interest and short position of each Director and chief executive of the Company nor their associates in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

LONG POSITIONS – ORDINARY SHARES

Interests in the Shares and underlying shares of the Company

Name of Director	Nature of interest	Share options	Approximate percentage of Shareholding in the Company
Mr. Rong Changjun	Beneficial owner	3,000,000	0.79%
Mr. Yuan Beisheng	Beneficial owner	3,500,000	0.92%
Mr. Zhang Wenrong	Beneficial owner	3,000,000	0.79%

Notes:

Further details of the above share options are set out in the section headed "Share Option Scheme" above showing details of the share options granted by the Company to subscribe for ordinary shares under the Company's Share Option Scheme.

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provision of the SFO), or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 31 December 2020, the following persons (other than the Directors or chief executives of the Company) had an interest and short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

- (a) Aggregate long position in the shares and underlying shares of the Company

Name	Nature of interest	Number of ordinary shares of the Company held	Approximate percentage of shareholding in the Company
Zou Donghai	Beneficial owner	35,000,000	9.21%

- (b) Aggregate short position in the shares and underlying shares of the Company

As at 31 December 2020, the Company had not been notified of any short positions being held by any substantial shareholders in the shares or underlying shares of the Company.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2020.

AUDIT COMMITTEE

The company established an audit Committee (the "Audit Committee") on 27 April 2011 with written terms of reference in compliance with rules 5.28 to 5.29 of the GEM Listing Rules.

The Audit Committee currently comprises three independent non-executive Director, namely Mr. Chu Kin Ming (the chairman of the committee), Mr. Chiam Tat Yiu and Mr. Chan Wai Cheung Admiral. The Audit Committee has reviewed the unaudited consolidated results of the Group for the Financial Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standards of Dealings"). The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Required Standards of Dealings during the Financial Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the Financial Period.

INTEREST IN COMPETING BUSINESS

Neither of the Directors and the controlling Shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Financial Period.

By order of the Board

China Oil Gangran Energy Group Holdings Limited
(Provisional Liquidators Appointed)

(For Restructuring Purpose)

Yeung Shing Wai

Executive Director

Hong Kong, 10 February 2021

As at the date of this report, the executive Directors are Mr. Rong Changjun (duties suspended), Mr. Zhang Wenrong, Mr. Yuan Beisheng, 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, Mr. Chan Wai Cheung Admiral and Mr. Cha Ho Wa.