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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

UPDATE ANNOUNCEMENT

Reference is made to the supplemental announcement dated 31 August 2018 (“**Supplemental Announcement**”) of China Oil Gangran Energy Group Holdings Limited (“**Company**”) in relation to (a) the final results announcement for the year ended 31 March 2018 of the Company (“**Announcement**”) which contains an audit disclaimer opinion on, among other things, the Copper Purchase Contract entered into with Company B whereby Subsidiary B made prepayment of RMB30,000,000; and (b) the annual report for the financial year ended 31 March 2018 of the Company (“**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Annual Report.

The Supplemental Announcement states that *“Delivery of the copper purchased from Company B has not taken place and is pending Subsidiary B’s negotiations with reference to market conditions with a potential buyer of the subject copper to make an onward sale to the potential buyer, failing which the Board understands from its management that there would be two alternatives to address the situation: (i) the subject copper would be used for the Group’s manufacturing or (ii) the RMB30,000,000 would be refunded by October 2018. Given that the Company may resort to either of the above alternatives should the onward sale fail to materialise, the Board reasonably believes that there is no need to make any provision for this amount in the Company’s financial statement for the year ending 31 March 2019 and the related audit disclaimer should therefore be removed, and also there will not be any brought forward impact to the opening balances in 2019 or any corresponding comparative figures in the Company’s financial statement for the year ending 31 March 2019.”*

The Board announces that, as at the date of this announcement:

- (a) Subsidiary B is still looking for a potential buyer for the subject copper;
- (b) no agreement or document has been signed with any potential buyer for the subject copper; and
- (c) Subsidiary B, based on the progress of its discussion with a potential buyer, believes that a committed buyer for the subject copper will be forthcoming by the end of December 2018, failing which Subsidiary B will procure Company B to refund the RMB30,000,000.

In view of the above, the Board believes that as at the date of this announcement its view regarding the making of provision in relation to the prepayment of RMB30,000,000 in the Company's financial statement for the year ending 31 March 2019 and the removal of the related audit disclaimer as stated in the Supplemental Announcement remains unchanged.

The Company will issue an update announcement in relation to the Copper Purchase Contract and as and when appropriate.

By Order of the Board
China Oil Gangran Energy Group Holdings Limited
Zou Donghai
Chairman

Hong Kong, 6 November 2018

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Rong Changjun, Mr. Zhang Wenrong, Dr. Ho Chun Kit Gregory and Dr. Zheng Jian Peng; and the independent non-executive Director are Mr. Lau Sung Tat, Vincent and Mr. Tam Kim Fung.

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>.