

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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

References are made to the supplemental announcement dated 31 August 2018 (“**Supplemental Announcement**”) of China Oil Gangran Energy Group Holdings Limited (“**Company**”) in relation to the final results announcement for the year ended 31 March 2018 (“**Announcement**”) which contains an audit disclaimer opinion on (1) prepayments to suppliers in connection with purchases of inventories; (2) deposits for renovation of vessels and transportation services; (3) deposit paid for procurement of inventory; (4) other receivables in relation to termination of advertising services, and (5) insufficient information relating to a subsidiary, and the annual report for the financial year ended 31 March 2018 (“**Annual Report**”) of the Company.

Unless otherwise defined, capitalised terms used in this announcement shall have the meanings as those defined in the Announcement and the Annual Report.

The Board would like to provide the following supplemental information to the shareholders of the Company.

PREPAYMENTS TO SUPPLIERS

Company A – Reference is made to the announcement of the Company dated 5 September 2018. The Company’s auditors confirmed that the disclaimer opinion in relation to the prepayment paid to Company A under the Chemical Purchase Contract will be removed in the coming financial statements for the year ending 31 March 2019 if the refund has been properly received.

Company B – Reference is made to the announcement of the Company dated 6 November 2018. As at the date of this announcement, no buyer is forthcoming and therefore Subsidiary B will procure Company B to refund the RMB30,000,000. The Company’s auditors confirmed that the disclaimer opinion in relation to the prepayment paid to Company B under the Copper Purchase Contract will be removed in the coming financial statements for the year ending 31 March 2019 if the copper is delivered or refund is made before 31 March 2019.

Company C – As at the date of this announcement, around RMB400,000 out of the prepayment in the sum of RMB8,670,000 has been utilized for the purchase of LNG, and a contract has been entered into with a buyer for the delivery of the relevant LNG to the buyer. The Board is still working towards the delivery of all the remaining LNG. The Company’s auditors confirmed that the disclaimer opinion in relation to the prepayment paid to Company C under the LNG Purchase Contract will be removed in the coming financial statements for the year ending 31 March 2019 if the LNG is delivered or refund is made before 31 March 2019.

RENOVATION CONTRACT

Reference is made to the announcement of the Company dated 26 October 2018. A qualified independent third party has since been engaged to verify the performance of the services rendered under the Renovation Contract. Due to the extent of the renovation that needs to be verified, the verification work for each vessel will take around 45 days. The verification work for the first vessel has been completed. The verification work for another four vessels is expected to be completed before the Company’s auditors completed their auditing work for the financial year ended 31 March 2019.

In relation to the Renovation Contract, the Company’s auditors have confirmed that as the Renovation Contract has already been performed, so long as the verification of all the vessels is in progress before conclusion of the auditing exercise for the financial year ended 31 March 2019, the relevant invoices together with the relevant verification reports or documents have been issued, the audit disclaimer in relation to the Renovation Contract will be removed.

DEPOSIT PAID FOR PROCUREMENT OF INVENTORY

References are made to the announcements of the Company dated 11 October 2018 and 26 October 2018. It is the Company's plan to use the refund from Company D to invest in the Joint Venture with DMCC. The Company therefore intends to instruct Company D to remit the money to an escrow account in Dubai for the setting up of the Joint Venture. The Company's auditors confirmed that if the HK\$25,000,000 is deposited in an escrow account of a law firm in Dubai pending incorporation of the Joint Venture, and the auditors have performed the audit procedures over the deposit in this escrow account, i.e. direct confirmation from the relevant law firm and provision of the relevant deposit transfer documents, the audit disclaimer in relation to the deposit paid for procurement of inventory will be removed.

OTHER RECEIVABLES

The Company's auditors have confirmed that if the refund has been properly received, the disclaimer will be removed.

INSUFFICIENT INFORMATION RELATING TO A SUBSIDIARY

The Company's auditors confirmed that Company G is not a subsidiary of the Group and the disclaimer will be removed.

FORMATION OF THE SPECIAL COMMITTEE AND ENGAGEMENT OF INTERNAL CONTROL CONSULTANT

After the engagement of the Internal Control Consultant, the Company was not satisfied with the slow progress and there was also a dispute on the fees charged by the Internal Control Consultant. As a result, the Company appointed HK KCBC CPA Limited ("**New Internal Control Consultant**") in October 2018 to takeover the review. The New Internal Control Consultant has already discussed the issues with the Company's management and Audit Committee, and is in the course of finalizing the report. It is expected that the report will be ready by mid-January 2019.

The Special Committee is awaiting the report from the New Internal Control Consultant before it can draw any conclusion and propose recommendations to the Company.

By Order of the Board

China Oil Gangran Energy Group Holdings Limited

Zou Donghai

Chairman

Hong Kong, 31 December 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, Dr. Zheng Jian Peng, Mr. Yuan Beisheng and Ms. Hui Sai Ha; and the independent non-executive Directors are Mr. Lau Sung Tat, Vincent, Mr. Tam Kim Fung and Mr. Qin Shihui.

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.chinaoilgran.com and <http://chinaoilgran.todayir.com>.