
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Oil Gangran Energy Group Holdings Limited** (the “**Company**”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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

PROPOSED SHARE CONSOLIDATION, PROPOSED CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the Company to be held at Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 28 November 2018 at 11:00 a.m. is set out on pages 16 to 18 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company’s branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event no later than Monday, 26 November 2018 at 11:00 a.m. (Hong Kong time). Completion and return of the form of proxy shall not preclude you from attending and voting at the extraordinary general meeting of the Company or any adjourned meeting thereof should you so wish.

This circular 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>.

12 November 2018

CHARACTERISTICS OF GEM

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.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares
“Company”	China Oil Gangran Energy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“Consolidated Share(s)”	ordinary share(s) in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Wednesday, 28 November 2018 at Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong to consider the ordinary resolutions to be proposed to approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) in the existing share capital of the Company before the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	9 November 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Notes”	the 1.5% coupon convertible notes due 2020 in the aggregate principal amount of HK\$15,000,000 to be issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Options”	the share options granted by the Company to certain eligible persons on various dates to subscribe for certain number of Shares, details of which are set out in the announcements of the Company dated 10 October 2013, 13 January 2014, 14 July 2014, 21 August 2014, 16 February 2015, 17 March 2015, 21 April 2017 and 11 April 2018
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Option Scheme”	the share option scheme of the Company which was adopted by way of an ordinary resolution passed by the Shareholders at the annual general meeting held on 27 April 2011

DEFINITIONS

“Subscribers”	李超志 (Li Chaozhi*), 李瑞敏 (Li Ruimin*), Chan Lok Yu and Asiapac Strategic Investment Limited, being the subscribers to the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 4 October 2018 and entered into between the Company and each of the Subscribers in relation to the subscription of the Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Latest time for lodging forms of proxy for the EGM. 11:00 a.m. on Monday,
26 November 2018

Date and time of the EGM 11:00 a.m. on Wednesday,
28 November 2018

Publication of the announcement of results of the EGM Wednesday,
28 November 2018

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this circular.

Effective date of the Share Consolidation Thursday,
29 November 2018

First day of free exchange of existing share certificates for
new share certificates for Consolidated Shares Thursday,
29 November 2018

Dealing in the Consolidated Shares commences 9:00 a.m. on Thursday,
29 November 2018

Original counter for trading in the Existing Shares
in board lots of 20,000 Existing Shares
(in the form of existing share certificates) temporarily closes 9:00 a.m. on Thursday,
29 November 2018

Temporary counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on Thursday,
29 November 2018

EXPECTED TIMETABLE

Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens	9:00 a.m. on Thursday, 13 December 2018
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Thursday, 13 December 2018
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares.	9:00 a.m. on Thursday, 13 December 2018
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Monday, 7 January 2019
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends	4:00 p.m. on Monday, 7 January 2019
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.	4:00 p.m. on Monday, 7 January 2019
Last day for free exchange of existing share certificates for new share certificates for the Consolidated SharesWednesday, 9 January 2019

LETTER FROM THE BOARD



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

Executive Directors:

Mr. Zou Donghai

Mr. Rong Changjun

Mr. Zhang Wenrong

Dr. Ho Chun Kit Gregory

Dr. Zheng Jian Peng

Registered office:

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Lau Sung Tat, Vincent

Mr. Tam Kim Fung

*Head office and principal place of
business in Hong Kong:*

Suites 707-9, 7th Floor

Prudential Tower, The Gateway

Tsim Sha Tsui, Kowloon

Hong Kong

12 November 2018

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE CONSOLIDATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 October 2018 in respect of the proposed Share Consolidation and Change in Board Lot size. The purpose of this circular is to provide you with details of the proposed Share Consolidation and Change in Board Lot Size as well as to give you the notice of the EGM to be convened.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twenty (20) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the Latest Practicable Date, there are 7,142,456,372 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the Latest Practicable Date up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 357,122,818 Consolidated Shares in issue which are fully paid or credited as fully paid.

Based on the closing price of HK\$0.016 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, the theoretical market price per Consolidated Share, assuming the Share Consolidation had already become effective, would be HK\$0.32 per Consolidated Share.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next Business Day immediately following the fulfilment of the above conditions.

LETTER FROM THE BOARD

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares and the Company's debt securities are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares and the Company's debt securities in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 20,000 Shares. The Company proposes to change the board lot size for trading on the Stock Exchange from 20,000 Shares to 10,000 Consolidated Shares after and conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.016 per Existing Share (equivalent to HK\$0.32 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had already become effective, would be HK\$3,200.

LETTER FROM THE BOARD

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such Fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint Upbest Securities Company Limited, as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this facility should contact Mr. Tong Wai Tong of Upbest Securities Company Limited at 2/F., Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong (telephone number: 2545 3298 during office hours of such period).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Thursday, 29 November 2018, being the Business Day immediately after the date of the EGM, Shareholders may on or after Thursday, 29 November 2018 and until Wednesday, 9 January 2019 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates in green colour for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the branch share registrar of the Company for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

LETTER FROM THE BOARD

With effect from Tuesday, 8 January 2019, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has outstanding Notes in the principal amount of HK\$15,000,000, which are convertible into 75,000,000 Existing Shares at the conversion price of HK\$0.2 per Share. Pursuant to the Subscription Agreements, the Company had issued the Notes in the aggregate principal amount of HK\$15,000,000 to the Subscribers (as to HK\$10,000,000 for Li Chaozhi, HK\$2,500,000 for Li Ruimin, HK\$2,000,000 for Chan Lok Yu and HK\$500,000 for Asiapac Strategic Investment Limited) on 2 November 2018. The maturity date of the Notes will be on 2 November 2020. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers and, where applicable, its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Under the terms and conditions of the Notes, the conversion price of the Notes will be adjusted upon occurrence of, among others, any of the following events: (i) consolidation, subdivision or reclassification; (ii) capitalisation of profits or reserves; (iii) issue of Shares by way of a scrip dividend; (iv) capital distributions; (v) issue of rights or options or warrants for Shares at less than 80% of the market price; or (vi) issues of Shares at less than 80% of the market price. In the event of a share consolidation, adjustments will be made to the conversion price of the Notes in accordance with the following formula:

$$\text{Adjusted conversion price} = \frac{\text{conversion price immediately before the share consolidation becoming effective}}{\text{effective}} \times \frac{A}{B}$$

Where

- A refers to the total number of Shares in issue immediately after the share consolidation becoming effective; and
- B refers to the total number of Shares in issue immediately before the share consolidation becoming effective.

LETTER FROM THE BOARD

As a result of the Share Consolidation, the conversion price of the Notes will be adjusted to HK\$4 per new Share and the maximum number of Shares to be issued by the Company upon conversion of the Notes in full will be 3,750,000 Shares.

As at the Latest Practicable Date, there are outstanding Options for subscription of 631,448,000 Existing Shares under the Share Option Scheme. Pursuant to the rules of the Share Option Scheme, in the event of any alteration in the capital structure of the Company whilst any share option of the Company remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, sub-division, or reduction of share capital of the Company, such corresponding alterations (if any) shall be made to: (i) the number of Shares subject to the share option so far as unexercised; or (ii) the subscription price or any combination thereof, as an independent financial adviser or the auditors of the Company shall certify in writing, either generally or as regards any particular grantee, to have, in their opinion, fairly and reasonably satisfied the requirement that any such adjustment shall be in compliance with the relevant provisions of the GEM Listing Rules or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

As a result of the Share Consolidation, adjustments will be made to the exercise prices and the number of Consolidated Shares falling to be allotted and issued upon exercise of the outstanding Options as follows:

Date of grant	Before the adjustment		After the adjustment	
	Number of Existing Shares to be issued upon full exercise of the Options	Exercise price per Existing Share (HK\$)	Adjusted number of Consolidated Shares to be issued upon full exercise of the Options	Adjusted exercise price per Consolidated Share (HK\$)
10 October 2013	27,500,000	0.391	1,375,000	7.82
13 January 2014	55,000,000	0.314	2,750,000	6.28
14 July 2014	77,000,000	0.256	3,850,000	5.12
21 August 2014	27,500,000	0.226	1,375,000	4.52
16 February 2015	43,587,000	0.164	2,179,350	3.28
17 March 2015	84,011,000	0.184	4,200,550	3.68
21 April 2017	105,600,000	0.126	5,280,000	2.52
11 April 2018	211,250,000	0.052	10,562,500	1.04
Total	<u>631,448,000</u>	<u>–</u>	<u>31,572,400</u>	<u>–</u>

LETTER FROM THE BOARD

The Company will engage the auditors of the Company or an approved financial adviser to certify in writing the necessary adjustments, if any, to the Notes and the outstanding Options. The proposed adjustment to the Notes and the outstanding Options are expected to take effect on Thursday, 29 November 2018, being the effective date of the Share Consolidation. The Company will make further announcement(s) on the actual adjustments to the Notes and the outstanding Options on or before Thursday, 29 November 2018.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view that the Shares had been traded at around or below HK\$0.10 at most of the time in the past 12 months, except 18 October 2017 to 20 October 2017 and 23 October 2017 to 25 October 2017 (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation and Change in Board Lot Size. It is expected that the proposed Share Consolidation and Change in Board Lot Size would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under Rule 17.76 of the GEM Listing Rules.

The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. The Company considered that the expected market value of each board lot of HK\$3,200 after the Share Consolidation becoming effective is at a reasonable level because it enables the Company to comply with the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, which requires the expected board lot value to be greater than HK\$2,000.

LETTER FROM THE BOARD

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation and Change in Board Lot Size will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. Although fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders, all such Fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Further, the Company has also appointed Upbest Securities Company Limited as an agent to provide matching of the sale and purchase of odd lots of the Consolidated Shares. By so doing, the Company has minimized any potential adverse effect arising from the loss of fractional entitlement and the resultant odd lots to the Shareholders. In view of the above, the Board considers that the Share Consolidation and Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board may consider conducting equity and debt fund raising exercise in the 12 months following the Latest Practicable Date for, among others, repayment of outstanding loans and liabilities of the Group, financing potential acquisitions and business opportunities and replenishing its general working capital. However, the Company currently does not have any concrete plans or taken any actions for the said possible equity fund raising exercise.

As at 30 June 2018, the Group has (i) outstanding loans and liabilities of approximately HK\$282,136,000; (ii) bank and cash balances of approximately HK\$37,356,000; and (iii) net assets of approximately HK\$69,068,000.

Set out in the table below is the Company's working capital forecast for the coming 12 months:

Working capital outflow (forecast)	<i>(HK\$'000)</i>
Administrative expenses	74,572
Redemption of interest bearing bonds due 2019	30,000
Interest of bonds	1,325
Interest of promissory notes	4,969
Redemption of promissory notes due 2019	<u>420</u>
Total	<u><u>111,286</u></u>

LETTER FROM THE BOARD

With regards to the Group's potential acquisitions, the Company has entered into a non-legally binding memorandum of understanding with 河南煜和礦業有限責任公司 (Henan Yuhe Mining Co., Ltd.*) (“**Henan Yuhe**”) on 31 August 2018 in relation to the possible acquisition of certain non-controlling equity interest in Henan Yuhe by the Company. Henan Yuhe is a company established in the PRC with limited liability and is principally engaged in, among others, geological technical service consulting, research and development of new mining technology; technological development and technical consultation of new energy and new material; and sales of graphite powder, refractory materials, energy-saving products, water-soluble coatings, building materials and decorative materials. Save as disclosed above, the Company is currently not in the process of negotiating for any other acquisitions.

With regards to the Group's potential business opportunities, the Company has entered into a non-legally binding memorandum of understanding with Beyond Group DMCC (“**DMCC**”) on 10 October 2018 in relation to the proposed formation of the joint venture in Dubai of the United Arab Emirates by the Company and DMCC, which will be principally engaged in, among others, the import and export, trading of oil and oil equipment and other related businesses. For details of the Group's potential acquisition and business opportunities, please refer to the announcement of the Company dated 11 October 2018.

The Company does not have any intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

The Company has taken into account the dilution effect of the potential equity funding raising exercise when determining the basis of the current proposed Share Consolidation and Change in Board Lot Size in order to avoid the need for the Company to carry out repeated corporate actions.

EGM

A notice convening the EGM to be held at Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 28 November 2018 at 11:00 a.m. at which ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Share Consolidation is set out on pages 16 to 18 of this circular. Shareholders are not required to vote for the Change in Board Lot Size. However, the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective and will not proceed if the Shareholders vote down the Share Consolidation.

To the best knowledge of the Directors, no Shareholders have a material interest in the Share Consolidation and accordingly, no Shareholders will have to abstain from voting at the EGM.

LETTER FROM THE BOARD

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon in any event no later than Monday, 26 November 2018 at 11:00 a.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF BOOKS

The register of members of the Company will be closed from Friday, 23 November 2018 to Wednesday, 28 November 2018 (both days inclusive) during which period no transfer of Shares will be registered. In order to be qualified to attend and vote at the above meeting, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 22 November 2018.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Directors consider that the proposed Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions at the EGM.

Yours faithfully

For and on behalf of the Board

China Oil Gangran Energy Group Holdings Limited

Zou Donghai

Chairman

NOTICE OF EGM



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

NOTICE IS HEREBY GIVEN that a extraordinary general meeting (the “**Meeting**”) of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) will be held at Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 28 November 2018 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the granting by the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the issued shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):

- (a) with effect from the first business day immediately following the date on which this resolution is passed or the above condition is fulfilled (whichever is later):
 - (i) every twenty (20) issued and unissued ordinary shares in the share capital of the Company be consolidated into one (1) Consolidated Share (each a “**Consolidated Share**”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company; and
 - (ii) all fractional Consolidated Shares will be disregarded and not issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit for the Company; and

NOTICE OF EGM

- (b) the board (the “**Board**”) of directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to the foregoing arrangement for the Share Consolidation.”

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

Hong Kong, 12 November 2018

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suites 707-9, 7th Floor
Prudential Tower, The Gateway
Tsim Sha Tsui, Kowloon
Hong Kong

Notes:

1. The resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the GEM Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
3. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon.

NOTICE OF EGM

4. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power and authority must be deposited at the office of the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than Monday, 26 November 2018 at 11:00 a.m. (Hong Kong time).
5. In the case of joint holders of any shares in the Company any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stand first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
6. The Company's register of members will be closed from Friday, 23 November 2018 to Wednesday, 28 November 2018 (both dates inclusive) to determine the qualification for attendance and voting at the EGM. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 22 November 2018.