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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

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The Board proposes that every two issued and unissued Existing Shares of HK\$0.0001 each in the share capital of the Company be consolidated into one Consolidated Share of HK\$0.0002 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

GENERAL

A circular containing, among other things, further details of the Share Consolidation and a notice convening the EGM will be despatched to the Shareholders on 8 September 2016.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every two issued and unissued Existing Shares of HK\$0.0001 each in the share capital of the Company be consolidated into one Consolidated Share of HK\$0.0002 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

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

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$8,000,000 comprising 80,000,000,000 Existing Shares of a nominal or par value of HK\$0.0001 each, of which 10,120,112,744 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued from the date hereof until the effective date of the Share Consolidation and that there is no fractional share arising from the Share Consolidation, the authorised share capital of the Company will be HK\$8,000,000 divided into 40,000,000,000 Consolidated Shares of a nominal or par value of HK\$0.0002 each, of which 5,060,056,372 Consolidated Shares will be in issue.

As at the date of this announcement, the Company had no other outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Existing Shares.

All Consolidated Shares shall rank *pari passu* in all respects with each other. Fractional entitlement to the Consolidated Shares, if any, will be aggregated, sold and retained for the benefit of the Company.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Listing Application

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. Following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares.

Based on the closing price of HK\$0.076 per Existing Share (equivalent to HK\$0.152 per Consolidated Share) as at the date of this announcement, the value of each board lot of 20,000 Consolidated Shares, assuming that the Share Consolidation had already been effective, would be HK\$3,040.

Reasons for the Share Consolidation

The Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As the theoretical market value of each board lot of the Consolidated Shares upon the Share Consolidation becoming effective as illustrated above will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lower. It is expected that the liquidity in trading of the shares of the Company will increase accordingly. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has agreed to procure a designated broker to arrange for the matching of the sales and purchases of odd lots of the Consolidated Shares. Details of the odd lots arrangements will be provided in the circular of the Company containing the notice of EGM.

EXCHANGE OF SHARE CERTIFICATES

Should the Share Consolidation become effective, Shareholders may, during the period from 30 September 2016 to 8 November 2016 (both days inclusive), submit existing certificates in red for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong ("**Share Registrar**"), Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new share certificates in blue for the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the Share Registrar for exchange. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates involved is higher. The share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not acceptable for trading, settlement and registration purpose upon completion of the Share Consolidation.

EXPECTED TIMETABLE

Event	2016 (Hong Kong time)
Expected date of despatch of the Circular in relation to Share Consolidation and notice of EGM	Thursday, 8 September 2016
Latest time for lodging proxy forms for the EGM.	10:00 a.m. on Tuesday, 27 September 2016
Expected time and date of the EGM	10:00 a.m. on Thursday, 29 September 2016
Publication of poll results of the EGM	Thursday, 29 September 2016
<i>The following events are conditional on the fulfilment of the conditions for the implementation of Share Consolidation:</i>	
Effective date of Share Consolidation	Friday, 30 September 2016
Dealing in Consolidated Shares commences	9:00 a.m. on Friday, 30 September 2016
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 30 September 2016
Original counter for trading in Existing Shares in board lots of 20,000 Shares temporarily closes	9:00 a.m. on Friday, 30 September 2016
Temporary counter for trading in board lots of 10,000 Consolidated Shares (in the form of existing share certificates) opens.	9:00 a.m. on Friday, 30 September 2016

Original counter for trading in Consolidated Shares
in board lots of 20,000 Consolidated Shares
(in the form of new share certificates for
Consolidated Shares) re-opens. 9:00 a.m.
on Monday, 17 October 2016

Parallel trading in the Consolidated Shares
(in the form of existing share certificates and
new share certificates) commences 9:00 a.m.
on Monday, 17 October 2016

Designated broker starts to stand in the market to
provide matching services for the odd lots of
Consolidated Shares 9:00 a.m.
on Monday, 17 October 2016

Temporary counter for trading in board lots of
10,000 Consolidated Shares (in the form of
existing share certificates) closes. 4:00 p.m.
on Friday, 4 November 2016

Parallel trading in the Consolidated Shares
(in the form of existing share certificates and
new share certificates) ends. 4:00 p.m.
on Friday, 4 November 2016

Designated broker ceases to stand in the market
to provide matching services for the odd lots of
the Consolidated Shares 4:00 p.m.
on Friday, 4 November 2016

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares. Tuesday, 8 November 2016

Notes: All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in revised timetable above are indicative only and may be extended or varied by the Company. Any changes to the revised timetable will be published or notified to Shareholders as and when appropriate.

GENERAL

A circular containing, among other things, further details of the Share Consolidation together with a notice of EGM, will be despatched to the Shareholders on 8 September 2016.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	China Oil Gangran Energy Group Holdings Limited (中油港燃能源集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and its shares are listed on GEM
“Consolidated Share(s)”	ordinary share(s) of a nominal or par value of HK\$0.0002 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Share Consolidation
“Existing Share(s)”	ordinary share(s) of a nominal or par value of HK\$0.0001 each in the share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every two issued and unissued Existing Shares into one Consolidated Share
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 24 August 2016

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Rong Changjun, Mr. Zhang Xueming, Mr. Ho Chun Kit Gregory, Mr. Chan Lung Ming and Mr. Zheng Jian Peng; and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Chan Ying Kay and Mr. Lau Sung Tat, Vincent.

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 commission 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>.