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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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

The Board announces that on 30 November 2016, after trading hours of the Stock Exchange, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, up to a maximum of 210,000,000 Placing Shares, on a best efforts basis, to the Placee(s) at the Placing Price of HK\$0.101 per Placing Share. The Placing Shares represent 4.13% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.97% of the issued share capital of the Company as enlarged by the Placing.

The Placing Price of HK\$0.101 per Placing Share represents (i) a discount of approximately 17.89% to the closing price of HK\$0.123 per Share as quoted on the Stock Exchange on 30 November 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 16.39% to the average closing price of approximately HK\$0.1208 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Shares will be issued and allotted under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 29 July 2016 pursuant to which the Directors are allowed to allot and issue up to 1,009,161,274 Shares (the number of shares are adjusted to reflect the effective of the Share Consolidation). As at the date of this announcement, 24,000,000 Shares (the number of shares are adjusted to reflect the effective of the Share Consolidation) has been issued pursuant to the said general mandate.

The maximum gross proceeds from the Placing will be approximately HK\$21,210,000. The maximum net proceeds from the Placing are estimated to be approximately HK\$20,361,600, which will be used as general working capital of the Group and/or for financing future investment opportunities.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING

The Board announces that on 30 November 2016, after trading hours of the Stock Exchange, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, up to a maximum of 210,000,000 Placing Shares, on a best efforts basis, to the Placee(s) at the Placing Price of HK\$0.101 per Placing Share. It is expected that none of the Placee(s) will become a substantial shareholder of the Company as a result of the completion of the Placing.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

- Date** : 30 November 2016
- Parties** : (a) The Company; and
(b) The Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent third parties of the Company and its Connected Persons.

Placing Shares

The Placing Shares represent 4.13% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.97% of the issued share capital of the Company as enlarged by the Placing.

The aggregate nominal value of the Placing Shares is HK\$42,000 as at the date of this announcement.

Placing Price

The Placing Price of HK\$0.101 per Placing Share represents:

- (i) a discount of approximately 17.89% to the closing price of HK\$0.123 per Share quoted on the Stock Exchange on 30 November 2016, being the date of the Placing Agreement; and
- (ii) a discount of approximately 16.39% to the average closing price of approximately HK\$0.1208 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the market condition. The Directors (including the independent non-executive Directors) are of the opinion that the Placing (including the Placing Price) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The Placing Agent will receive a placing commission of 4% of the amount equal to the Placing Price multiplied by the number of the Placing Shares placed by the Placing Agent. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent.

Placees

The Placing Agent agreed to procure Placee(s), on a best effort basis, to subscribe for the Placing Shares at the Placing Price in accordance with the Placing Agreement. The Placing Agent agreed to use all reasonable endeavours to ensure that the Placee(s) and their ultimate beneficial owners are third parties independent of the Company and the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

If less than six Placee(s) are procured by the Placing Agent, a further announcement will be made by the Company in compliance with the requirements of the GEM Listing Rules.

Conditions of the Placing

The Placing is conditional upon

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting and agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Company shall use its best endeavours to procure the fulfilment of the conditions and in the event that the conditions are not fulfilled by 7 December 2016 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

Completion of the Placing

Completion of the Placing will take place on the Placing Completion Date.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Termination and force majeure

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Placing Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement, if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic,

fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

In the event that the Placing Agreement is terminated pursuant to the termination clause thereof, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and the liabilities under the Placing Agreement.

GENERAL MANDATE TO ISSUE NEW SHARES

The Placing Shares will be issued and allotted under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 29 July 2016 pursuant to which the Directors are allowed to allot and issue up to 1,009,161,274 Shares (the number of shares are adjusted to reflect the effective of the Share Consolidation). As at the date of this announcement, 24,000,000 Shares (the number of shares are adjusted to reflect the effective of the Share Consolidation) has been issued pursuant to the said general mandate. The 210,000,000 Placing Shares to be allotted and issued will utilise approximately 23.19% of the said general mandate.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Division of the Stock Exchange for the granting of the listing of, and permission to deal, in the Placing Shares.

REASONS FOR THE PLACING

The Group is principally engaged in the development of digital applications, including but not limited to handheld electronic game consoles, mobile game applications, digital marketing solutions, development of liquefied natural gas, compressed natural gas and related clean energy business, and the manufacturing and trading of power and data cords for household electronic appliances, mobile phones and medical control services.

The maximum gross proceeds from the Placing will be approximately HK\$21,210,000. The maximum net proceeds from the Placing are estimated to be approximately HK\$20,361,600, as a result, the net price per Placing Share will be approximately HK\$0.097. They will be used as general working capital of the Group and/or for financing future investment opportunities.

The Directors consider that the Placing will provide the Company with an opportunity to raise further capital for the Company while broadening its shareholders' base and capital base of the Company. The Directors (including the independent non-executive Directors) consider that the Placing Agreement was entered into on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RANKING OF PLACING SHARES

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not undertaken any equity fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds received	Intended use of proceeds	Actual use of proceeds
20 January 2016	Placing of Shares	Approximately HK\$24.44 Million	General working capital of the Group and/or for financing future investment opportunities	Used as intended
19 August 2016	Placing of Shares	Approximately HK\$3.58 million	General working capital of the Group and/or for financing future investment opportunities	Used as intended

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Placing (assuming the Placing Shares are fully placed) are summarised as follows:

Shareholder	As at the date of Announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Placees	–	–	210,000,000	3.97
Public	5,084,056,372	100.00	5,084,056,372	96.03
Total	<u>5,084,056,372</u>	<u>100.00</u>	<u>5,294,056,372</u>	<u>100.00</u>

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	means a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“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, the issued shares of which are listed on GEM
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any professional, institutional or other investors whom the Placing Agent and/or any of its agent(s) have procured to subscribe for any of the Placing Shares

“Placing”	the private placing of the Placing Shares to selected independent professional, institutional or other investors on the terms and subject to the conditions to be set out in the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
“Placing Agreement”	the placing agreement (as amended or varied from time to time by an agreement in writing) dated 30 November 2016 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Completion Date”	the third Business Day following the satisfaction of the conditions precedent under the Placing Agreement (or such other date as the Company and the Placing Agent may agree)
“Placing Price”	HK\$0.101 per Placing Share
“Placing Share(s)”	up to a maximum of 210,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary shares of HK\$0.0002 each in the capital of the Company or shares of any class or classes resulting from any sub-division, consolidation or re-classification of such Shares, which as between themselves have no preference in respect of voting rights or dividends or of amounts payable in the event of any voluntary or involuntary liquidation or distribution of the Company
“Share Consolidation”	the consolidation of every two issued and unissued ordinary shares of the Company of par value 0.0001 each into one Share which was approved in the extraordinary general meeting of the Company held on 29 September 2016 and become effective on 30 September 2016
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 30 November 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 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>.