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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, among other things, the refund situation in relation to certain trading transactions referred to in the disclaimer opinion in the final results announcement for the year ended 31 March 2018 of the Company (“**Announcement**”) and 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.

LNG PURCHASE CONTRACT

The Supplemental Announcement (on page 5) makes reference to the LNG Purchase Contract under which Company C has received the sum of RMB8,670,000 for the purchase of Liquefied Natural Gas (LNG), and that as of the date of the Supplemental Announcement, delivery of the LNG had not occurred and was scheduled to take place on or before September 2018 in Hebei and Beijing.

The Board announces that as of the date of this announcement, delivery of the LNG has not occurred as delivery is pending certain preliminary industry practice procedures. The Board expects that delivery of the LNG will take place before the end of December 2018.

RENOVATION CONTRACT

The Supplemental Announcement (on page 8) makes reference to the Renovation Contract between Subsidiary A and Company A whereby Company A would procure services including renovation of shipping vessel among other things and Subsidiary has made prepayment in the sum of RMB22,000,000.

The Board announces that as of the date of this announcement, the Company understands from Subsidiary A that the services under the Renovation Contract have been performed in full. The Company via Subsidiary A is in the process of identifying a qualified independent third-party to verify the performance of the services, and subject to the same, Subsidiary A will procure Company A to issue the appropriate invoices in respect of the services performed. The Board expects that verification of the performance of the services will take place before the end of December 2018 and the appropriate invoices will also be issued before the end of December 2018.

DEPOSIT PAID FOR PROCUREMENT OF INVENTORY

The Supplemental Announcement (on pages 10 and 11) makes reference to earnest money in the sum of HK\$25,000,000 paid to Company D and that Company D would return the same to the Company on or before 30 September 2018.

The Board announces that as of the date of this announcement, Company D has not returned the earnest money of HK\$25,000,000 to the Company.

As disclosed in the announcement of the Company dated 11 October 2018, on 10 October 2018, the Company and DMCC entered into a non-legally binding MOU in relation to the Formation of the Joint Venture in Dubai of the United Arab Emirates. It is expected that the Joint Venture will be principally engaged in the import and export trading of oil and oil equipment and other related businesses.

Further to the entering of the above mentioned MOU, the Company and DMCC are in the process of negotiating the terms of the JV Agreement subject to due diligence which are ongoing. As of the date of this announcement, neither the terms of the Formation of Joint Venture nor the JV Agreement have been agreed upon. However, the Board expects that the relevant Joint Venture company will be incorporated in December 2018, and subject to the due incorporation of the relevant Joint Venture company, the HK\$25,000,000 due to be refunded by Company D will be used by the Company in connection with the trading of oil and other related goods of the Joint Venture. In the event that the relevant Joint Venture company is not incorporated in December 2018, the Board expects that Company D will return the earnest money in the sum of HK\$25,000,000 to the Company

Company D, with its background in energy trading, has been instrumental in the Company's negotiations with DMCC leading to the signing of the MOU and the Company's current negotiations of the terms of the JV Agreement.

COPPER PURCHASE CONTRACT

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

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

Hong Kong, 26 October 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 Directors 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>.