
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 your licensed securities dealer or registered institution 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 (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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

A notice convening the extraordinary general meeting of the Company to be held at Jade Room, 6/F., Marco Polo Hong Kong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, HKSAR on Thursday, 29 September 2016 at 10:00 a.m. is set out on pages 11 to 13 of this circular. A form of proxy for use by the shareholders of the Company at the extraordinary general meeting of the Company is enclosed herein.

Whether or not you are able to attend such meeting, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon and return them to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meetings or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meetings or any adjournment 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>.

8 September 2016

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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.

The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 have the following meanings:

“Board”	The board of Directors
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“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 nominal 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 held at 10:00 a.m. on Thursday, 29 September 2016 for the Shareholders to consider and, if thought fit, approve, the Share Consolidation
“Existing Share(s)”	ordinary share(s) of nominal 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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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

DEFINITIONS

“Latest Practicable Date”	6 September 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Share Consolidation”	the proposed consolidation of every two issued and unissued Existing Shares into one Consolidated Share
“Share Option Scheme”	the share option scheme adopted by the Company on 27 April 2011
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Event	2016 (Hong Kong time)
Latest time for lodging proxy forms for the EGM	10:00 a.m. on Tuesday, 27 September 2016
Date and time 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 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

EXPECTED TIMETABLE

Event	2016 (Hong Kong time)
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 circular 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.

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 (*Chairman*)

Mr. Rong Changjun

Mr. Zhang Xueming

Mr. Ho Chun Kit Gregory

Mr. Chan Lung Ming

Mr. Zheng Jian Peng

Registered office:

Cricket Square

Hutchins Drive

P.O Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Ms. Eugenia Yang

Mr. Chan Ying Kay

Mr. Lau Sung Tat, Vincent

Principal place of business

in Hong Kong:

Suites 707-9, 7th Floor

Prudential Tower

The Gateway

Harbour City

Tsim Sha Tsui

Kowloon

Hong Kong

8 September 2016

To the shareholders

Dear Sir or Madam

PROPOSED SHARE CONSOLIDATION

INTRODUCTION

Reference is made to the announcement of the Company dated 24 August 2016, in which the Board proposed to put forward to the Shareholders a proposal of the Share Consolidation on the basis that every two issued and unissued Existing Shares of nominal value of HK\$0.0001 each in the share capital of the Company be consolidated into one Consolidated Share of nominal value of HK\$0.0002 in the share capital of the Company.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information in relation to the Share Consolidation and to give you the notice of the EGM.

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 an 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 Latest Practicable Date, the authorised share capital of the Company is HK\$8,000,000 comprising 80,000,000,000 Existing Shares of nominal value of HK\$0.0001 each, of which 10,168,112,744 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 nominal value of HK\$0.0002 each, of which 5,084,056,372 Consolidated Shares will be in issue.

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 existing change in the rights of the Shareholders, save that existing Shareholders may be entitled to any fractional Consolidated Shares.

LETTER FROM THE BOARD

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.

No part of the equity or debt securities of the Company is listed or dealt in on any other exchanges other than the Stock Exchange and no such listing or permission to deal in is being currently proposed to be sought from any other stock exchange.

Subject to the granting the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the GEM Listing Rules.

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.

LETTER FROM THE BOARD

Board lot size

The Existing Shares are currently traded on the Stock Exchange in the board lot size of 20,000 Existing Shares. Upon the Share Consolidation become effective, the board lot size for trading in the Consolidated Shares will remain as 20,000 Consolidated Shares.

Based on the closing price of HK\$0.058 per Existing Share (equivalent to the theoretical closing price of HK\$0.116 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of the Existing Shares was HK\$1,160 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$2,320.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed HF Securities and Futures Limited as an agent to provide matching service for the sale and purchase of odd lots of Consolidated Shares arising from the Share Consolidation from 17 October 2016 to 4 November 2016 (both dates inclusive). Holders of odd lots of Consolidated Shares who wish to take advantage of this trading facility should contact Mr. Ko Tat Ching of HF Securities and Futures Limited at Room 1605-06, South Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Hong Kong (telephone number (852) 3913 0133) during the period from 17 October 2016 to 4 November 2016 (both days inclusive). Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares will not be guaranteed. Any Shareholder, who is in doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may, during the period from Friday, 30 September 2016 to Tuesday, 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 for exchange, at the expense of the Company, for new share certificates in blue for the Consolidated Shares. 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.

LETTER FROM THE BOARD

POSSIBLE ADJUSTMENTS TO OUTSTANDING OPTIONS UPON SHARE CONSOLIDATION BECOMING EFFECTIVE

As at the Latest Practicable Date, there are a maximum of 684,196,000 outstanding options to subscribe for new Existing Shares.

The Company will engage the auditors of the Company or an approved financial adviser to certify in writing the necessary adjustments, if any, to number of Conversion shares and the exercise prices and number of Option Shares which may be subscribed pursuant to the Options. The Company will make further announcement(s), when and where appropriate, about the adjustments in due course.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

EGM

The EGM will be convened to consider and, if thought fit, approve, the Share Consolidation.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon and return them to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group or had or may have any other conflict of interests with the Group.

LETTER FROM THE BOARD

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 Board believes that the Share Consolidation is in the best interests of the Company as well as to the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions as set out in the notice of EGM.

Yours faithfully,

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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**Meeting**”) of China Oil Gangran Energy Group Holdings Limited (“**Company**”) will be held at 10:00 a.m. on Thursday, 29 September 2016 at Jade room, 6/F., Marco Polo Hong Kong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, HKSAR, for the purpose of considering and, if thought fit, passing each of the following resolutions which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

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

- (a) with effect from the trading day immediately following the day on which this resolution is passed, being a day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities, every two ordinary shares of nominal value of HK\$0.0001 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of nominal value of HK\$0.0002 (each a “**Consolidated Share**”) such that the authorised share capital of the Company shall be HK\$8,000,000 divided into 40,000,000,000 ordinary shares of nominal value of HK\$0.0002 each, 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

NOTICE OF EGM

- (b) the directors of the Company be and are generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

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

Hong Kong, 8 September 2016

Principal Place of Business

in Hong Kong:

Suites 707-9, 7th Floor

Prudential Tower, The Gateway

Harbour City, Tsim Sha Tsui,

Kowloon, Hong Kong

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the Meeting. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at the Meeting.
2. A form of proxy for use at the Meeting is enclosed. To be valid, the form of proxy must be duly completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.
3. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof should such member so wishes, and in such event, the instrument appointing a proxy shall be deemed revoked.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled to vote, but if more than one of such joint holders are present at the meeting, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand first on the register of members of the Company in respect of the joint holding.
5. In compliance with the Rules ("GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited ("GEM"), all resolutions to be proposed at the meeting convened by this notice will be voted on by way of poll.

As at the date of this notice, 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 notice, for which the directors of the Company 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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice 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 notice misleading.

This notice 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>.