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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

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2019

The board (the “**Board**”) of directors (the “**Directors**”) of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the three months ended 30 June 2019. This announcement, containing the full text of the first quarterly report 2020 of the Company (“**First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany the preliminary announcement of quarterly results. The printed version of the first quarterly Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner required by the GEM Listing Rules.

By order of the Board

China Oil Gangran Energy Group Holdings Limited

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

Yeung Shing Wai

Executive Director

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. Rong Changjun, Mr. Zhang Wenrong, Mr. Yuan Beisheng, Ms. Hui Sai Ha (duties suspended), Mr. Yeung Shing Wai, Mr. Chen Tian Gang, Mr. Li Shu Wang and Mr. Zhang Shao Wu and the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Chiam Tat Yiu and Mr. Chan Wai Cheung Admiral.

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.chinaoilgangrans.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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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This report, for which the directors (the “Directors”) of China Oil Gangran Energy Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The unaudited revenue of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2019 (the “Financial Period”) was approximately HK\$12.4 million, representing a decrease of approximately 53.4% from approximately HK\$26.6 million for the comparable period of last year. Such decrease in the unaudited revenue was mainly attributable to the deconsolidation of the financial position and performance of the business of the Deconsolidated Subsidiaries (as defined below).

The Group’s unaudited loss attributable to the Company’s owners increased to approximately HK\$12.7 million from approximately HK\$11.4 million for the comparable period of last year. The main reason for the increase in loss attributable to the Company’s owners was the decrease in the gross profit for the Financial Period.

The board (the “Board”) of the Directors does not recommend to pay dividend for the Financial Period.

DECONSOLIDATION OF SUBSIDIARIES LOST CONTROL

On 1 January 2019, the date when the Group lost control of 江西中油港燃能源科技有限責任公司 (transliterated as “Jiangxi China Oil Gangran Energy Technology Company Limited”) (“Jiangxi China Oil”), 舟山中油港燃石油化工有限公司 (transliterated as “Zhoushan China Oil Gangran Petroleum and Chemical Company Limited”), 江西港燃貿易有限公司 (transliterated as “Jiangxi Gangran Trading Company Limited”) and 吉林中油港燃能源開發有限公司 (transliterated as “Jilin China Oil Gangran Energy Development Company Limited”) (“Jilin China Oil”) (collectively the “Deconsolidated Subsidiaries”), which were the subsidiaries of the Company which engaged in the refined oil retail business and trading of methyl tert-butyl ether (“MTBE”). Hence, the Group no longer consolidated the financial position and performance of the Deconsolidated Subsidiaries since 1 January 2019.

BUSINESS REVIEW

During the Financial Period, the Group operated a diverse business portfolio comprising: (i) manufacture and sale of power cords and inlet sockets for household electric appliances; power and data cords for mobile phones and medical control devices; (ii) the trading of glasses and other commodities; (iii) the liquefied natural gas (“LNG”), compressed natural gas (“CNG”) and other related clean energy businesses; (iv) refined oil retail business; and (v) trading of MTBE.

In terms of the geographical market performance, United States and the PRC contributed to approximately 45% (2018: approximately 16%) and approximately 37% (2018: approximately 66%) of the Group's total unaudited revenue respectively, while the remaining revenue of approximately 18% (2018: approximately 18%) came from its other markets, including Taiwan and Hong Kong.

POWER CORDS AND INLET SOCKETS FOR HOUSEHOLD ELECTRIC APPLIANCES

The unaudited revenue of the Group from power cords and inlet sockets for household electric appliances was approximately HK\$2.2 million (2018: approximately HK\$2.8 million) in the Financial Period, representing a year-on-year decrease of approximately 21.4%.

The Group's power cords and inlet sockets used in household electric appliances received safety approvals and/or certificates in many countries, many of which also conform with eleven types of international safety standards. The unaudited revenue from such business experienced a downturn during the Financial Period due to fierce market competition and the Group believes that the business segment contributes a limited source of income for the Group.

POWER AND DATA CORDS FOR MOBILE PHONES AND MEDICAL CONTROL DEVICES

With fierce competition in the power and data cords sector during the Financial Period, the Group focused on those customer groups generating high profit margins and rigorously controlled its production costs; and the Group's unaudited revenue from power and data cords for mobile phones recorded a decrease of approximately 30.8% to approximately HK\$4.5 million (2018: approximately HK\$6.5 million) for the Financial Period.

The power and data cords for mobile phones are generally used for power charging and data transfer and are essential accessories for all mobile phones. The decreasing demand for telecommunication devices, especially in the PRC, limited the Group's expansion in the market of power and data cords of mobile phones. All our power and data cords conform with the standards of mobile phone designs set by USB Implementers Forum, Inc..

During the Financial Period, the Group's unaudited revenue from power and data cords for medical control devices was approximately HK\$5.6 million (2018: approximately HK\$6.4 million), representing a year-on-year decrease of approximately 12.5%.

The power and data cords for medical control devices are multi-functional products which are mainly exported to the customer in the United States. The devices are then used for further assembly and are processed into final products (which include keyboards, pillow speakers, bed controls, bed cables and call cords to be sold to hospitals and clinics).

TRADING OF MOBILE SMART PHONES, GLASSES AND OTHER COMMODITIES

The Group's unaudited revenue from (i) the trading of mobile smart phones and glasses was Nil (2018: approximately HK\$0.1 million) and; (ii) the trading of other commodities was approximately HK\$0.1 million (2018: Nil) for the Financial Period.

DEVELOPMENT OF DIGITAL APPLICATIONS

In 2013, the Group acquired 3 Dynamics (Asia) Limited ("3 Dynamics"), a developer of mobile phone games and digital applications.

Pursuant to the sale and purchase agreement("SPA"), Mr. Chung Wai Sum (the "Vendor") irrevocably and unconditionally warranted and guaranteed to Dynamic Miracle Limited, a wholly-owned subsidiary of the Company (the "Dynamic Miracle") that the audited net profits after tax of 3 Dynamics as shown in its audited financial statement for the 12 months from the date of the completion of acquisition, i.e. for the period from 11 December 2013 to 10 December 2014 (the "Relevant Period") shall not be less than HK\$42,000,000 (the "Profit Guarantee"). The Profit Guarantee was secured by 140,000,000 consideration shares ("Escrow Shares") of the Company issued to the Vendor. As certified by the previous auditor of 3 Dynamics, 3 Dynamics has recorded a net loss after tax in its audited financial statement for the period from 11 December 2013 to 10 December 2014 and there was no profit for the Relevant Period pursuant to the SPA. Under the terms and conditions as stipulated in SPA, the Escrow Shares would be sold in order to pay for the Profit Guarantee. During the year ended 31 March 2016, a portion of the Escrow Shares were sold to pay for the Profit Guarantee. An amount of HK\$20,000,000 was received by the Group to partially settle the Profit Guarantee obligation of the Vendor.

As at 31 March 2019 and 2018, the balance of HK\$22,000,000 ("Contingent Consideration Receivables") was still outstanding for the Profit Guarantee and only 73,870,000 (before the share consolidation becoming effective on 29 November 2018) of the Escrow Shares remained as a security for the Profit Guarantee. However, given that the Contingent Consideration Receivables has been long-outstanding, despite of the Escrow Shares held, the Board considered that the chance to collect the Contingent Consideration Receivables would be low and made full provision for the amount receivable during the year ended 31 March 2017.

During the period ended 30 June 2019, the Company was in continuous negotiations with the Vendor to recover the Contingent Consideration Receivables.

LNG, CNG AND OTHER RELATED CLEAN ENERGY BUSINESS

Operating through Jiangxi China Oil, the Group continued to develop the businesses of LNG, CNG and related clean energy. Through the patented technology it held, Jiangxi China Oil also helped the conversion of diesel-powered vessels to run on LNG, which is more environmental friendly and also prolonged the engine's lifespan. Jiangxi China Oil also embarked on joint research projects with some of China's top tertiary institutions and research units to uncover possibilities of conversion technology upgrades. Jilin China Oil Gangran Energy ("Jilin China Oil"), another subsidiary of the Group, has entered into negotiations with the Jilin Oilfield Management Bureau to jointly develop the related oilfields.

Due to the deconsolidation involving the uncooperative PRC subsidiaries of providing finance information, the Group no longer consolidated the financial position and performance for LNG, CNG and other related clean energy business of the Deconsolidated Subsidiaries since 1 January 2019.

REFINED OIL RETAIL BUSINESS

For the expansion of the Group's principal business, the Group has diversified its business development by engaging in the refined oil retail business commencing in mid 2015.

Jiangxi China Oil entered into an agreement with Jiangxi Jiujiang Sales Branch Company of PetroChina Company Limited (中國石油天然氣股份有限公司江西九江銷售分公司) in relation to the leasing of six bunker barges (加油船), each with a loading capacity of 1,800 tonnes and a total loading capacity of 10,800 tonnes. The Group operates such leased bunker barges in the Yangtze River, Gan River and Poyang Lake basins, the PRC to develop its refined oil sales business in the PRC.

The Group successfully obtained a Refined Oil Retail License (成品油零售經營批准證書) from the Business Bureau of Jiangxi Province of the PRC which enables the Group to engage in the retail business of refined oil. The Board is of the view that the development of refined oil business can help to strengthen the Group's position in the energy industry and enhance the future earnings of the Group. As such, the aforesaid lease and future refined oil sales business is in the interests of the Company and its shareholders (the "Shareholders") as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries by the Directors, Jiangxi Jiujiang Sales Branch Company of PetroChina Company Limited (中國石油天然氣股份有限公司江西九江銷售分公司) and its ultimate beneficial owners are third parties independent of and not connected with the Company and connected persons (as defined in the GEM Listing Rules).

Due to the deconsolidation involving the uncooperative PRC subsidiaries of providing finance information, the Group no longer consolidated the financial position and performance for refined oil retail business of the Deconsolidated Subsidiaries since 1 January 2019. Thus, during the Financial Period, no revenue was recorded for the sales of refined oil (2018: approximately HK\$7.7 million).

TRADING OF MTBE (甲基叔丁基醚) AND OTHER CHEMICALS

The Group was engaged in the trading of MTBE, a gasoline additive and used almost exclusively as a component in fuel for gasoline engines. Besides increasing the octane number, MTBE also reduces the fuel vapour pressure (Reid vapour pressure), so that the vapour emissions during automobile fuelling and operation are reduced. In addition, MTBE reduces exhaust emissions, particularly carbon monoxide, unburnt hydrocarbons, polycyclic aromatics and particulate carbon. In the PRC, where the oxygenated content and environmental concerns are of paramount importance, MTBE is used in significant quantities.

Due to the deconsolidation involving the uncooperative PRC subsidiaries of providing finance information, the Group no longer consolidated the financial position and performance for trading of MTBE and other chemicals of the Deconsolidated Subsidiaries since 1 January 2019. Thus, during the Financial Period, no revenue was recorded for the trading of MTBE (2018: approximately HK\$3 million).

FUNDRAISING ACTIVITY

Subscription of new shares under general mandate

On 12 April 2019, the Company as issuer and Ms. Qu Ziyu (曲梓語)(the "Subscriber 1") entered into a subscription agreement (the "Subscription Agreement 1") in relation to the subscription of 17,570,000 new share of the Company (the "Subscription Share(s)") at the price of HK\$0.33 (the "Subscription Price 1"). The 17,570,000 Subscription Shares represented (i) approximately 4.62% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between 12 April 2019 and the date of the completion of the Subscription Agreement. As the condition precedent under the Subscription Agreement has not been fulfilled on or before 30 April 2019, the Subscription Agreement lapsed on 30 April 2019. For details, please refer to the announcements dated 12 April 2019 and 30 April 2019.

On 23 April 2019, the Company as issuer and Mr. Lin Hann Ruey(林翰瑞)(the "Subscriber 2") entered into a subscription agreement (the "Subscription Agreement 2") in relation to the subscription of 15,584,000 new share of the Company (the "Subscription Share(s)") at the price of HK\$0.385 (the "Subscription Price 2"). The 15,584,000 Subscription Shares represented (i) approximately 4.10% of the existing issued share capital of the Company as at 23 April 2019; and (ii) approximately 3.94% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the completion of Subscription Agreement 2, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between 23 April 2019 and the completion of the Subscription Agreement 2. As the condition precedent under the Subscription Agreement was not expected to be fulfilled on or before 15 May 2019, the Subscriber 2 and the Company mutually agreed to terminate the Subscription Agreement on 10 May 2019. For details, please refer to the announcements dated 23 April 2019 and 10 May 2019.

OUTLOOK

During the Financial Period, the global economic environment is still deeply fluctuating. The medium-to-long-term economic growth of the PRC has slowed down. Falling commodity price, the declining global industrial output and depressed trading added to the uncertainties. Due to the challenging macro-economic conditions, the Group recorded a 53.4% decrease in unaudited revenue of sales of power and data cords and inlet sockets.

Although there was still in a low-growth economic in 2019 and beyond, the Group steadfastly committed to expand its market share and profitability.

In the future, despite the wide range of growth opportunities, the challenge facing the Group is to evaluate, identify and leverage opportunities that can ensure that the attractiveness of its corporate brand is maintained and high-quality execution is sustained. To this end, considerable risk management and control are required, and every major business decision must be made with caution.

Over the years ahead, the power and data cords business will remain as a significant part of the Group, owing to its promising outlook combined with the positive policy milieu and market from overseas. Despite the challenging development in the power cords and inlet sockets for household electric appliances sector and power and data cords for mobile phones and medical control devices sector, the Group continues to diversify its operating risks and expand its sources of revenue and proactively seeks to capture a full spectrum of development strategies and investment opportunities in securing optimal returns and value for the Shareholders and its other stakeholders.

FIRST QUARTERLY UNAUDITED RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the Financial Period together with the comparative unaudited figures for the three months ended 30 June 2018 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

	Notes	For the three months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
Revenue	3	12,417	26,591
Cost of sales		(8,512)	(21,587)
Gross profit		3,905	5,004
Other income and gain	4	1,023	6,878
Selling expenses		(715)	(2,350)
Administrative expenses		(15,688)	(18,643)
Loss from operations		(11,475)	(9,111)
Finance costs	5	(4,226)	(3,556)
Loss before tax		(15,701)	(12,667)
Income tax credit (expense)	6	3,023	(164)
Loss for the period		(12,678)	(12,831)
Other comprehensive income (expenses), net of tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(794)	(23,624)
Total comprehensive expenses for the period		(13,472)	(36,455)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the three months ended 30 June 2019

	Notes	For the three months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
Loss for the period attributable to:			
Owners of the Company		(12,678)	(11,442)
Non-controlling interests		—	(1,389)
		(12,678)	(12,831)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(13,474)	(35,463)
Non-controlling interests		2	(992)
		(13,472)	(36,455)
		HK\$ cents	HK\$ cents (Restated)
Loss per share			
Basic	7	(3.3)	(3.7)
Diluted		(3.3)	(3.7)

NOTES TO THE FIRST QUARTERLY UNAUDITED RESULTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Flat O, 10/F., Yue Cheung Centre, 1-3 Wong Chuk Yeung Street, Fo Tan, New Territories, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the "Group") is (i) manufacture and sale of power cords and inlet sockets for household electric appliances as well as power and data cords for mobile phones and medical control devices; (ii) trading of glasses and other commodities; (iii) development of digital applications, including handheld electronic game consoles, mobile game applications, digital marketing solutions; (iv) liquefied natural gas ("LNG"), compressed natural gas ("CNG") and other related clean energy businesses; (v) refined oil retail business; and (vi) trading of Methyl tert-butyl ether ("MTBE").

SUSPENSION OF TRADING IN SHARES OF THE COMPANY

The trading in shares of the Company had been suspended with effect from 2 July 2019 and pending the fulfilment of the conditions set out in the resumption guideline and additional resumption guideline.

2. BASIS OF PREPARATION

The first quarterly unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the GEM Listing Rules. The principal accounting policies used in the first quarterly unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's consolidated financial statements for the year ended 31 March 2019.

The HKICPA has issued a number of new and revised HKFRSs. For those which are relevant to the Group's operations and effective for its accounting period beginning on 1 April 2019, the adoption has had no material impact on the Group's accounting policies, the presentation, the reported results and the financial position of the Group for the current or prior accounting periods.

2. BASIS OF PREPARATION *(Continued)*

The Group has not applied the new and revised HKFRSs which have been issued but are not yet effective. The Group is currently in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether they would have a material impact on the Group's results and financial position.

3. REVENUE

	For the three months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Sales of power and data cords and inlet sockets	12,417	15,836
Sales of refined oil and chemicals	—	10,755
	<u>12,417</u>	<u>26,591</u>

4. OTHER INCOME AND GAIN

	For the three months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Interest income	5	97
Net foreign exchange (loss) gain	(78)	21
Sundry income	1,097	661
Reversal of impairment of trade receivables	—	6,099
Loss on disposal of property, plant and equipment	(1)	—
	<u>1,023</u>	<u>6,878</u>

5. FINANCE COSTS

	For the three months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Effective interest expenses on convertible notes	307	—
Interest on secured bank loan	162	529
Interest on other loan	1,807	—
Interest on unsecured interest-bearing bond	203	1,246
Effective interest expenses on promissory notes	1,699	1,781
Interest on leases liability	48	—
	4,226	3,556

6. INCOME TAX CREDIT (EXPENSE)

	For the three months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	—	—
Over-provision in prior years	3,368	—
Current tax – PRC Enterprise Income Tax		
Provision for the period	(345)	(164)
	—	—
Deferred tax	—	—
	3,023	(164)

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the Financial Period (2018: Nil).

Pursuant to the Enterprise Income Tax rules and regulations of the PRC, the PRC subsidiaries of the Group are subject to Enterprise Income Tax at a rate of 25%, (2018: 25%, except for Sun Fair Electric Wire & Cable (Shenzhen) Company Limited is entitled to a preferential tax rate of 15% for being a high technology enterprise).

7. LOSS PER SHARE

BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company of approximately HK\$12,678,000 (2018: approximately HK\$11,442,000) by the weighted average number of ordinary shares of 380,019,818 (2018: 307,122,819 (restated)) in issue for the Financial Period.

DILUTED LOSS PER SHARE

Diluted loss per share is the same as basic loss per share as the outstanding convertible notes and share options have anti-dilutive effects on the basic loss per share for Financial Period and the corresponding period in last year.

8. DIVIDEND

No dividend had been paid or declared by the Company for the Financial Period (2018: Nil).

9. RESERVES

	(Unaudited)									
	Attributable to owners of the Company									
	Share capital	Share premium	Statutory reserve	Convertible notes equity reserve	Foreign currency translation reserve	Share-based payment reserve	Accumulated loss	Total	Non-controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018	1,228	657,343	3,909	—	3,749	45,754	(599,290)	112,693	(11,036)	101,657
Total comprehensive loss for the period	—	—	—	—	(24,021)	—	(11,442)	(35,463)	(992)	(36,455)
Recognition of share options	—	—	—	—	—	3,866	—	3,866	—	3,866
At 30 June 2018	1,228	657,343	3,909	—	(20,272)	49,620	(610,732)	81,096	(12,028)	69,068
At 1 April 2019	1,520	703,768	3,918	2,215	(1,368)	50,794	(834,659)	(73,812)	(90)	(73,902)
Total comprehensive loss for the period	—	—	—	—	(796)	—	(12,678)	(13,474)	2	(13,472)
Share options lapsed	—	—	—	—	—	(3,263)	3,263	—	—	—
Recognition of share options	—	—	—	—	—	6,971	—	6,971	—	6,971
At 30 June 2019	1,520	703,768	3,918	2,215	(2,164)	54,502	(844,074)	(60,315)	(88)	(60,403)

10. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at 30 June 2019 and 31 March 2019.

SHARE OPTION SCHEME

The Company has a share option scheme (“Scheme”) which was adopted pursuant to a resolution of the sole shareholder passed on 27 April 2011. The purpose of the Scheme is to attract, retain and motivate talented participants (the “Participants”) (as defined below), to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the Participants to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Group attained through their efforts and contributions.

The Scheme became effective on 27 April 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the Scheme. The terms of the Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules.

Eligible Participants (the “Participants”) of the Scheme include the following:

- a. any executive or non-executive Director including any independent non-executive Director or any employee (whether full-time or part-time) of any member of the Group;
- b. any adviser or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group;
- c. any provider of goods and/or services to the Group;
- d. any other person who the Board considers, in its sole discretion, has contributed to the Group; and
- e. any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any of those of (a), (b), (c) and (d) above.

SHARE OPTION SCHEME (Continued)

Particulars of the share options to subscribe for shares granted pursuant to the Share Option Scheme as at the 30 June 2019 are set out below:

Grantee	Date of grant	Exercise price (Note 2)	Exercise period of share options	Outstanding as at 1 April 2019 (Note 1)	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 30 June 2019	Weighted average closing price	Approximate % of the Company's total issued share capital as at 30 June 2019
									Market value per share immediately before the date of grant (Note 2)	
Executive Directors:										
Rong Changjun	21 April 2017	HK\$2.52	21 April 2017 – 20 April 2020	2,640,000	–	–	–	2,640,000	HK\$2.4	0.6%
	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,000,000	–	–	3,000,000	HK\$0.36	0.7%
Zou Donghai	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,800,000	–	–	3,800,000	HK\$0.36	1.0%
Hui Sai Ha	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,500,000	–	–	3,500,000	HK\$0.36	0.9%
Zheng Jian Peng	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,800,000	–	–	3,800,000	HK\$0.36	1.0%
Yuan Beisheng	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,500,000	–	–	3,500,000	HK\$0.36	0.9%
Zhang Wenrong	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	3,000,000	–	–	3,000,000	HK\$0.36	0.7%
Ex-executive Directors:										
Ho Chun Kit Gregory	17 March 2015	HK\$3.68	17 March 2015 – 16 March 2025	1,079,350	–	–	–	1,079,350	HK\$3.52	0.28%
Zhang Xueming	21 April 2017	HK\$2.52	21 April 2017 – 20 April 2020	2,640,000	–	–	(2,640,000)	–	HK\$2.4	–
Other Categories:										
Consultants in aggregate	10 October 2013	HK\$7.82	10 October 2013 – 9 October 2023	1,375,000	–	–	–	1,375,000	HK\$7.6	0.36%
	13 January 2014	HK\$6.28	13 January 2014 – 12 January 2024	2,750,000	–	–	–	2,750,000	HK\$6.16	0.72%
	14 July 2014	HK\$5.12	14 July 2014 – 13 July 2024	3,850,000	–	–	–	3,850,000	HK\$5.2	1.01%
	21 August 2014	HK\$4.52	21 August 2014 – 20 August 2024	1,375,000	–	–	–	1,375,000	HK\$4.8	0.36%
	16 February 2015	HK\$3.28	16 February 2015 – 15 February 2025	2,179,350	–	–	–	2,179,350	HK\$3.4	0.57%
	17 March 2015	HK\$3.68	17 March 2015 – 16 March 2025	3,121,200	–	–	–	3,121,200	HK\$3.52	0.82%
	11 April 2018	HK\$1.04	11 April 2018 – 10 April 2021	2,112,500	–	–	–	2,112,500	HK\$0.92	0.56%
	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	11,000,000	–	–	11,000,000	HK\$0.36	2.89%
Employees	11 April 2018	HK\$1.04	11 April 2018 – 10 April 2021	8,450,000	–	–	–	8,450,000	HK\$0.92	2.22%
	16 April 2019	HK\$0.36	16 April 2019 – 15 April 2022	–	4,100,000	–	–	4,100,000	HK\$0.36	1.08%

Note:

- Save for the share options granted on 16 April 2019, the number of underlying shares comprised in outstanding share options has been adjusted as a result of the share subdivision and/or the share consolidation becoming effective on 25 March 2014, 30 September 2016 and 29 November 2018.
- Save for the share options granted on 16 April 2019, the exercise price and the market value per share immediately before the date of grant of options of the outstanding share options is subject to adjustment of the share subdivision and/or the share consolidation becoming effective on 25 March 2014, 30 September 2016 and 29 November 2018.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2019, the interest and short position of each Director and chief executive of the Company nor their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

LONG POSITIONS – ORDINARY SHARES

Interests in the Shares and underlying shares of the Company

Name of Director	Number of Shares	Derivatives		Total	Percentage of aggregate interests to the total number of Share in issue
		Personal interests	Share options		
Mr. Zou Donghai	35,000,000	3,800,000		38,800,000	10.21%
Mr. Rong Changjun	—	5,640,000		5,640,000	1.48%
Dr. Zheng Jian Peng	2,640,000	3,800,000		6,440,000	1.69%
Ms. Hui Sai Ha	—	3,500,000		3,500,000	0.92%
Mr. Yuan Beisheng	—	3,500,000		3,500,000	0.92%
Mr. Zhang Wenrong	—	3,000,000		3,000,000	0.79%

Notes:

Further details of the above share options are set out in the section of "Share Option Scheme" above showing details of the options granted to subscribe for ordinary shares under the Company's Share Option Scheme.

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provision of the SFO), or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2019, no entities or persons (not being a Director or Chief Executive of the Company) had an interest and short position of 5% or more in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or which are required to be disclosed pursuant to section 336 of the SFO.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 27 April 2011 with written terms of reference in compliance with rules 5.28 to 5.29 of the GEM Listing Rules.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chu Kin Ming (the chairman of the committee), Mr. Chiam Tat Yiu and Mr. Chan Wai Cheung Admiral. The Audit Committee has reviewed the first quarterly unaudited consolidated results of the Group for the Financial Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standards of Dealings"). The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Required Standards of Dealings during the Financial Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as the Escrow Shares disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the Financial Period.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Financial Period.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Financial Period.

INTEREST IN COMPETING BUSINESS

Neither of the Directors and the controlling Shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Financial Period.

By order of the Board
China Oil Gangran Energy Group Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Yeung Shing Wai
Executive Director

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. Rong Changjun, Mr. Zhang Wenrong, Mr. Yuan Beisheng, Ms. Hui Sai Ha (duties suspended), Mr. Yeung Shing Wai, Mr. Chen Tian Gang, Mr. Li Shu Wang and Mr. Zhang Shao Wu and the independent non-executive Directors are Mr. Chu Kin Ming, Mr. Chiam Tat Yiu and Mr. Chan Wai Cheung Admiral.