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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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

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 six months ended 30 September 2020. This announcement, containing the full text of the interim report for the six months ended 30 September 2020 of the Company (“**Interim 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 interim results. The printed version of the Interim 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.

CONTINUED SUSPENSION OF TRADING

Trading in Shares has been suspended since 2 July 2019 pending the fulfilment of the conditions set out in the Resumption Guidance, the Additional Resumption Guidance and the Further Resumption Guidance. The Company is working closely with its professional advisers towards the resumption of trading in the Company’s shares as soon as possible.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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, 13 November 2020

As at the date of this announcement, the executive Directors are Mr. Rong Changjun, Mr. Zhang Wenrong, Mr. Yuan Beisheng, 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”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

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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The Report, for which the board of (the “Board”) 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 the 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 the Report misleading.

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CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman,
KY1-1111 Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat O, 10/F., Yue Cheung Centre
1-3 Wong Chuk Yeung Street
Fo Tan, New Territories
Hong Kong

COMPANY'S WEBSITES

www.chinaoilgangrans.com

LEGAL ADVISERS

Michael Li & Co.
19/F., Prosperity Tower
No. 39 Queen's Road Central, Central
Hong Kong

AUDITOR

HLM CPA Limited
Room 1501-8, 15th Floor
Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

JOINT PROVISIONAL LIQUIDATORS (For restructuring purposes)

Mr. Yen Ching Wai David
Ms. So Kit Yee Anita
Mr. Keiran William Hutchison

STOCK CODE

8132

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Rong Changjun (*Vice Chairman*)
Mr. Zhang Wenrong
Mr. Yuan Beisheng
Mr. Yeung Shing Wai
Mr. Chen Tian Gang
Mr. Li Shu Wang
Mr. Zhang Shao Wu

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Kin Ming
Mr. Chiam Tat Yiu
Mr. Chan Wai Cheung Admiral

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Mr. Chiam Tat Yiu
Mr. Chan Wai Cheung Admiral

REMUNERATION COMMITTEE

Mr. Chiam Tat Yiu (*Chairman*)
Mr. Chu Kin Ming
Mr. Chan Wai Cheung Admiral

NOMINATION COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Mr. Chiam Tat Yiu
Mr. Chan Wai Cheung Admiral

COMPANY SECRETARY

Mr. Chan Tsang Mo

AUTHORISED REPRESENTATIVES

Mr. Yeung Shing Wai
Mr. Chan Tsang Mo

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

THE PRINCIPAL SHARE REGISTRAR IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The unaudited revenue of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2020 (the “**Interim Period**”) was approximately HK\$60.8 million, representing an increase of approximately 158.1% from approximately HK\$23.5 million for the corresponding period last year. Such increase was attributable to the introduction of new products, namely headsets for adults and kids and hospital room control hub, since the fourth quarter of the year ended 31 March 2020.

The Group’s unaudited loss attributable to the Company’s owners decrease to approximately HK\$7.8 million from approximately HK\$14.4 million for the corresponding period last year. The decrease was mainly due to the decrease of directors’ emoluments and the decrease of share based payment expense as compared to the corresponding period last year.

The board (the “**Board**”) of the Directors does not recommend to pay dividend for the Interim 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责任公司 (transliterated as “Jiangxi China Oil Gangran Energy Technology Company Limited”), 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”) (collectively the “**Deconsolidated Subsidiaries**”), which were the subsidiaries of the Company engaged in the refined oil retail business and trading of methyl tert-butyl ether. Hence, the Group no longer consolidated the financial position and performance of the Deconsolidated Subsidiaries since 1 January 2019.

BUSINESS REVIEW

During the Interim Period, the Group was principally engaged in the following businesses: (i) power and data cords business; (ii) trading of refined oil and chemicals business; and (iii) trading of commodities.

In terms of geographical market performance, the United States and PRC contributed to approximately 16.3% (2019: approximately 38.4%) and approximately 51.9% (2019: approximately 48.4%) of the Group’s total unaudited revenue respectively, while the remaining approximately 31.8% (2019: approximately 13.2%) came from its other markets, including Taiwan and Hong Kong.

POWER AND DATA CORDS BUSINESS

The three key product groups for power and data cords business were (i) power and data cords for mobile handsets and personal care products; (ii) medical control devices; and (iii) power cords and inlet sockets for household electric appliances. Each product group has its own types of products. During the Interim Period, the Group manufactured over 40 types of power and data cords for mobile handsets and personal care products, and over 450 types of power cords and inlet sockets for household electric appliances. The Group will also continue to involve in the assembly and sale of medical control devices, which are primarily used by patients in hospital wards and the related accessories.

(i) Power and data cords for mobile handsets and personal care products

Power and data cords for mobile handsets and personal care products consist of 2-pin cables and connectors and are generally used for power charging to mobile handset and personal care products. The diameters of stranded copper wires are ranged from 0.26 mm to 2.4 mm and carry low voltage electricity of up to three amperes. In accordance with its customers' specifications, the Group manufactures over 40 different types of power and data cord for mobile handsets and personal care products.

During the Interim Period, the Group's unaudited revenue from power and data cords for mobile phones increased by 180.2% to approximately HK\$31.1 million (2019: approximately HK\$11.1 million). The increase was due to the introduction of new products, headsets for adults and kids, since the forth quarter of the year ended 31 March 2020.

(ii) **Medical control devices**

Medical control device is a bedside multi-function device for patients in wards. The medical control device products of the Group consist of pillow speaker, bed control, bed cable and call cord. Pillow speaker could be produced with different specifications from simple version of 1-button pillow speaker capable for emergency communication and lighting control functions to advanced version of 26-button pillow speaker capable for emergency communication, television, and lighting temperature control in a ward. The pillow speakers sold by the Group are in the form of dismantled parts and components including all necessary components for a pillow speaker such as power cable, PCB and plastic body etc. for further assembly by customers after delivery. Materials used for the manufacturer of medical control device are sourced by the Group based on the requirements of, and have been approved by, its customer, which is a medical equipment manufacturer in the United States. Although the Group will occasionally provide advice and input, the design of the medical control device originates from the customer who will closely monitor and have overall control and the ultimate decision on matters relating to the design, use of materials and ultimate assembly of medical control devices. All parts and components of the medical control devices manufactured by the Group's medical control device products were exported to the customer for further assembly and processing into its final products for sales to hospitals and clinics. Testing will also be conducted by the customer to ensure the final products comply with the relevant US regulatory requirements.

During the Interim Period, the Group's unaudited revenue from medical control devices was approximately HK\$27.0 million (2019: approximately HK\$9.0 million), representing an increase of approximately 200%, which was due to the new products, hospital room control hub, introduced since the fourth quarter of the year ended 31 March 2020.

(iii) Power cords and inlet sockets for household electric appliances

Power cords for household electric appliances are generally non-halogen free and carry normal voltage electricity up to 250 voltage. Different countries have different safety, power voltage and environmental standards for household electric appliances and there are more than 10 types of sockets in widespread use around the world. Plugs with different number of prongs on power cords are used in different countries. For instance, the European Union standard plugs manufactured by the Group are mainly 250 voltage plugs with cylindrical prongs while the US standard plugs manufactured by the Group are 125 voltage plugs with strip-like prongs. Some of the Group's power cords and inlet sockets for household electric appliances with safety approvals and/or certificates such as CSA, VDE, PSE, ASTA, CCC bear the trademark "SUN FAIR". Some of the Group's products meet eleven types of international safety standards including UL, CSA, VDE, NEMKO, SEMKO, FIMKO, SEV, DEMKO, OVE, KEMA, CCC, and ENEC.

During the Interim Period, the Group's unaudited revenue from power cords and inlet sockets for household electric appliances was approximately HK\$2.7 million (2019: approximately HK\$3.3 million), representing a decrease of approximately 18.2% due to fierce market competition in this sector.

TRADING OF COMMODITIES

The Group's trading of commodities mainly included the trading of mobile smart phones, glassed and other commodities.

The Group's unaudited revenue from the trading of commodities was nil (2019: approximately HK\$0.1 million) for the Interim Period.

TRADING OF REFINED OIL AND CHEMICALS BUSINESS

Due to the deconsolidation of the financial position and performance for the Deconsolidated Subsidiaries since 1 January 2019, no revenue was recorded during the Interim Period and the corresponding period last year.

The Group continued to explore opportunities in the clean energy segment. A legally binding consultancy contract has signed with a gas company in March 2020. The contract period is from March 2020 to March 2021 where the Group will provide strategic consultancy services regarding the plan and development of the customer's energy business. The estimated revenue and gross profit from this contract amounted to approximately HK\$2.2 million and HK\$2.2 million respectively. A legally binding liquefied natural gas supply contract has signed with an energy company in March 2020 which the Group will provide liquefied natural gas to the customer for the period from July 2020 to December 2020. However, due to the COVID-19 outbreak, the plan has delayed and expected to start in January 2021 instead. Total contracted supply will be 20,000 tonnes during the contract period and the Group will charge the energy company with addition of RMB200/tonne from supplier.

OUTLOOK

During the Interim Period, the global economic environment is still deeply fluctuating. The medium-to-long-term economic growth of United States has slowed down. Falling commodity price, the declining global industrial output and depressed trading added to the uncertainties. Despite the challenging macro-economic conditions, the Group recorded an 158.1% increase in unaudited revenue of sales of power and data cords and inlet sockets as compared to the corresponding period last year due to the introduction of new products since the fourth quarter of the year ended 31 March 2020. The Group will continue to look for business opportunities in order to increase the revenue and profit of existing products and will expand its business by introducing new products.

Despite the deconsolidation of financial position and performance of the Deconsolidated Subsidiaries since 1 January 2019, the Group currently intends to continue the operation of the trading of refined oil and chemicals business but will take a conservative approach with regards to any development and/or expansion plans for this business segment. After conducting a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group, the Board considered that it would be in the interest of the Company and its shareholders to place its financial resources, as well as management and business focus on the power and data cords business, yet will continue to explore business opportunities in trading of refined oil and chemicals business.

EMPLOYEES' REMUNERATION POLICY

As at 30 September 2020, the Group employed 118 (31 March 2020: 112) full time employees mainly in the PRC and Hong Kong. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, the Group's performance, and the individual's qualifications and performance. Employee benefits include the mandatory provident fund scheme for Hong Kong employees and central pension schemes operated by the local municipal governments for employees in the PRC. The Group also provides training programs for its employees to equip themselves with the requisite skills and knowledge and offers a share option scheme to recognize the employees who make significant contributions to the Group.

During the Interim Period, no share option (six months ended 30 September 2019: 35,700,000) was granted to eligible participants under the share option scheme of the Company.

Total staff costs (including Directors' remuneration) for the Interim Period amounted to approximately HK\$5.4 million (six months ended 30 September 2019: approximately HK\$15.4 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2020, the aggregate carrying value of the Group's indebtedness was approximately HK\$139.8 million (31 March 2020: approximately HK\$138.6 million) which comprised promissory notes, borrowings and convertible notes. The Group had bank balances and cash of approximately HK\$21.8 million (31 March 2020: approximately HK\$10.1 million).

As at 30 September 2020, the Group's gearing ratio was approximately 345.8% (31 March 2020: approximately 311.6%). This was based on the division of the Group's total indebtedness by the aggregate amount of total indebtedness and total equity.

EXPOSURE TO FOREIGN EXCHANGE RISK

As the Group operates principally in Hong Kong and the PRC, its exposure to foreign currency risk is minimal as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the group entities. In this respect, the only risk it is faced arose from exposures mainly to the renminbi ("RMB") and the United States dollar ("US\$"). These risks were mitigated as the Group held HK\$, US\$ and RMB bank accounts to finance transactions denominated in these currencies respectively. The Group has no foreign currency hedging policy for foreign currency transactions, assets and liabilities. During the Interim Period, the Group did not use any financial instruments for hedging purposes. The Group will continue to monitor its exposure to foreign exchange risks and will consider hedging such exposure, should such a risk arises.

PLEDGE OF ASSETS

As at 30 September 2020, the Group pledged its leasehold land and buildings with an aggregate carrying amount of approximately HK\$9,122,000 (31 March 2020: HK\$11,440,000).

In addition, the Group's 51% equity interests in Able One Investments Limited, a subsidiary of the Company, was pledged to an independent third party to secure an interest-bearing other loan.

SIGNIFICANT INVESTMENTS AND DISPOSALS

The Group had no significant investments and disposals, nor has it made any material acquisition or disposal of the Group's subsidiaries or affiliated companies during the Interim Period.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Group had no significant contingent liabilities at 30 September 2020 (31 March 2020: Nil).

Details of capital commitments are set out in note 19 to the unaudited condensed consolidated interim financial statements.

SEGMENT INFORMATION

Details of the segment information are set out in note 3 to the unaudited condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020

| | Notes | Three months ended 30 September | | Six months ended 30 September | |
|---|-------|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Revenue | 4 | 28,239 | 11,130 | 60,767 | 23,547 |
| Cost of sales | | (23,177) | (8,215) | (49,073) | (16,727) |
| Gross profit | | 5,062 | 2,915 | 11,694 | 6,820 |
| Other income | 5 | 1,632 | 8,034 | 2,641 | 9,057 |
| Selling expenses | | (493) | (494) | (1,345) | (1,209) |
| Administrative expenses | | (7,717) | (3,656) | (11,220) | (19,344) |
| (Loss)/profit from operations | | (1,516) | 6,799 | 1,770 | (4,676) |
| Finance costs | 6 | (3,323) | (4,256) | (6,439) | (8,482) |
| (Loss)/profit before tax | | (4,839) | 2,543 | (4,669) | (13,158) |
| Taxation | 7 | 210 | (3,467) | (685) | (444) |
| Loss for the period | 8 | (4,629) | (924) | (5,354) | (13,602) |
| Other comprehensive income/(expenses), net of tax: | | | | | |
| Items that may be reclassified to profit or loss: | | | | | |
| Exchange reserve released on deregistration of subsidiary | | — | — | — | 1,211 |
| Exchange differences on translating foreign operations | | 35 | (5,663) | 54 | (6,457) |
| | | 35 | (5,663) | 54 | (5,246) |
| Total comprehensive expense for the period | | (4,594) | (6,587) | (5,300) | (18,848) |

| | Notes | Three months ended 30 September | | Six months ended 30 September | |
|--|-------|------------------------------------|-------------------------|----------------------------------|-------------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | HK\$'000 (Unaudited) | HK\$'000 (Unaudited) | HK\$'000 (Unaudited) | HK\$'000 (Unaudited) |
| (Loss)/profit for the period attributable to: | | | | | |
| Owners of the Company | | (5,428) | (1,759) | (7,807) | (14,437) |
| Non-controlling interests | | 799 | 835 | 2,453 | 835 |
| | | (4,629) | (924) | (5,354) | (13,602) |
| Total comprehensive (expenses)/income for the period attributable to: | | | | | |
| Owners of the Company | | (5,455) | (6,214) | (7,813) | (19,688) |
| Non-controlling interests | | 861 | 838 | 2,513 | 840 |
| | | (4,594) | (5,376) | (5,300) | (18,848) |
| Loss per share (HK cents) | | | | | |
| Basic | 10(a) | (1.4) | (0.5) | (2.1) | (3.8) |
| Diluted | 10(b) | (1.4) | (0.5) | (2.1) | (3.8) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

| | Notes | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|--|-------|---|---|
| Non-current assets | | | |
| Property, plant and equipment | 11 | 17,839 | 19,338 |
| Intangible assets | | 12,770 | — |
| Right-of-use assets | | 16,152 | 2,973 |
| | | 46,761 | 22,311 |
| Current assets | | | |
| Inventories | | 7,075 | 5,929 |
| Trade and other receivables | 12 | 71,161 | 81,537 |
| Bank balances and cash | | 21,751 | 10,064 |
| | | 99,987 | 97,530 |
| Current liabilities | | | |
| Trade and other payables | 13 | 84,046 | 67,199 |
| Promissory notes payable | 14 | 51,862 | 30,072 |
| Borrowings | 15 | 44,247 | 44,709 |
| Convertible notes | 16 | 12,894 | 12,307 |
| Amount due to director | | 1,266 | 1,265 |
| Lease liabilities | | 806 | 1,112 |
| Tax payable | | 6,082 | 4,582 |
| | | 201,203 | 161,246 |
| Net current liabilities | | (101,216) | (63,716) |
| Total assets less current liabilities | | (54,455) | (41,405) |

| | Notes | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|--|-------|---|---|
| Non-current liabilities | | | |
| Promissory notes payable | 14 | 20,830 | 41,479 |
| Borrowings | 15 | 10,000 | 10,000 |
| Lease liabilities | | 13,948 | 234 |
| Deferred tax liabilities | | 158 | 973 |
| | | 44,936 | 52,686 |
| NET LIABILITIES | | (99,391) | (94,091) |
| Capital and reserves | | | |
| Share capital | 17 | 1,520 | 1,520 |
| Reserves | | (106,702) | (98,889) |
| Equity attributable to owners of the Company | | (105,182) | (97,369) |
| Non-controlling interests | | 5,791 | 3,278 |
| TOTAL DEFICIT | | (99,391) | (94,091) |

Approved and signed by the Board on 13 November 2020.

Yeung Shing Wai
Executive Director

Chen Tian Gang
Executive Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

| | Attributable to owners of the Company | | | | | | | | | | |
|---|---------------------------------------|---------------|-------------------|----------------------------------|----------------------------|--------------------------------------|-----------------------------|--------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Statutory reserve | Convertible notes equity reserve | Equity transaction reserve | Foreign currency translation reserve | Share-based capital reserve | Accumulated losses | Sub-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 2019 (Audited) | 1,520 | 703,768 | 3,918 | 2,215 | — | (1,368) | 50,794 | (834,659) | (73,812) | (90) | (73,902) |
| Total comprehensive income for the period | — | — | — | — | — | (3,187) | — | (16,501) | (19,688) | 840 | (18,848) |
| Changes in ownership interest in a subsidiary without loss of control | — | — | (1,920) | — | 3,087 | 909 | — | — | 2,076 | (77) | 1,999 |
| Share options lapsed | — | — | — | — | — | — | (3,263) | 3,263 | — | — | — |
| Recognition of share options | — | — | — | — | — | — | 6,971 | — | 6,971 | — | 6,971 |
| At 30 September 2019 (Unaudited) | 1,520 | 703,768 | 1,998 | 2,215 | 3,087 | (3,646) | 54,502 | (847,897) | (84,453) | 673 | (83,780) |
| At 1 April 2020 (Audited) | 1,520 | 703,768 | 1,998 | 2,215 | 3,030 | (2,091) | 52,553 | (860,362) | (97,369) | 3,278 | (94,091) |
| Total comprehensive income for the period | — | — | — | — | — | (6) | — | (7,807) | (7,813) | 2,513 | (5,300) |
| Share option lapsed | — | — | — | — | — | — | (3,263) | 3,263 | — | — | — |
| At 30 September 2020 (Unaudited) | 1,520 | 703,768 | 1,998 | 2,215 | 3,030 | (2,097) | 49,290 | (864,906) | (105,182) | 5,791 | (99,391) |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

| | Six months ended 30 September | |
|---|---------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 14,576 | 5,347 |
| Purchases of property, plant and equipment | — | (8,739) |
| Interest received | 3 | 6 |
| NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES | 3 | (8,733) |
| Interest paid | (569) | (2,546) |
| Repayment of lease liabilities | (1,743) | (1,366) |
| Proceeds from bank borrowings | 6,146 | — |
| Repayment of bank borrowings | (11,108) | — |
| Proceeds from other loan | 4,500 | — |
| Repayment of other loan | — | (2,404) |
| Proceeds from issue of shares | — | 2,000 |
| NET CASH USED IN FINANCING ACTIVITIES | (2,774) | (4,316) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 11,805 | (7,702) |
| Effect of foreign exchange rate changes | (118) | (597) |
| CASH AND CASH EQUIVALENTS AT 1 APRIL | 10,064 | 13,752 |
| CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER | 21,751 | 5,453 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of China Oil Gangran Energy Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2020 (the “**Interim Financial Report**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules of the Stock Exchange.

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2020 (the “**2020 Annual Financial Statements**”).

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2020 Annual Financial Statements, except for the adoption of the new, amended or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which collectively include all applicable individual Hong Kong Financial Reporting Standard (“**HKFRS**”), Hong Kong Accounting Standard (“**HKAS**”) and Interpretation issued by the HKICPA) as disclosed in Note 2 to the Interim Financial Report.

The unaudited condensed consolidated interim financial statements have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2020. HKFRSs comprise HKFRS, HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

The Group's reportable segments are determined as follows:

1. Trading of refined oil and chemicals – engaged in trading of refined oil and chemicals.
2. Digital application business – engaged in activities relating to the provision of programming services, web services, mobile marketing solutions and development of mobile phone games.
3. Power and data cords and general trading business – engaged in sales and manufacture of power cords and inlet sockets for household electric appliances and power and data cords for mobile handsets and medical control devices and raw cables and general trading business.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements.

3. SEGMENT INFORMATION *(Continued)*

Information about reportable segment profit or loss, assets and liabilities:

| | Power and data cords and general trading business HK\$'000 (Unaudited) | Trading of refined oil and chemicals HK\$'000 (Unaudited) | Digital application business HK\$'000 (Unaudited) | Total HK\$'000 (Unaudited) |
|---|---|--|---|----------------------------------|
| Six months ended 30 September 2020 | | | | |
| Revenue from external customers | 60,767 | — | — | 60,767 |
| Segment gain/(loss) | 4,933 | — | (4) | 4,929 |
| At 30 September 2020 | | | | |
| Segment assets | 107,255 | — | — | 107,255 |
| Segment liabilities | 57,888 | — | 8,294 | 66,182 |
| Six months ended 30 September 2019 | | | | |
| Revenue from external customers | 23,547 | — | — | 23,547 |
| Segment gain | 3,376 | — | — | 3,376 |
| At 31 March 2020 | | | | |
| Segment assets | 75,777 | — | — | 75,777 |
| Segment liabilities | 21,268 | — | 8,294 | 29,562 |

3. SEGMENT INFORMATION *(Continued)*

| | Six months ended 30 September | |
|-------------------------------------|---------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Reconciliation of segment results: | | |
| Total profit of reportable segments | 4,929 | 3,376 |
| Unallocated amounts: | | |
| Other income | 288 | 4,807 |
| Corporate expenses | (5,025) | (13,721) |
| Finance costs | (5,546) | (8,064) |
| Consolidated loss for the period | (5,354) | (13,602) |

4. REVENUE

The Group's revenue for the three months and six months ended 30 September 2020 and 2019 represented the following:

| | Three months ended 30 September | | Six months ended 30 September | |
|---|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Sales of power and data cords and inlets sockets | 28,239 | 11,130 | 60,767 | 23,547 |

5. OTHER INCOME

| | Three months ended 30 September | | Six months ended 30 September | |
|--|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Interest income | 2 | 1 | 3 | 6 |
| Net foreign exchange (loss)/gain | (27) | 19 | 14 | (59) |
| Sundry income/(expense) | 1,657 | (73) | 2,336 | 1,023 |
| Gain on disposal of subsidiary | — | — | 288 | — |
| Gain on deregistration of subsidiary | — | 5,731 | — | 5,731 |
| Reversal of impairment of trade receivables | — | 2,356 | — | 2,356 |
| | 1,632 | 8,034 | 2,641 | 9,057 |

6. FINANCE COSTS

| | Three months ended 30 September | | Six months ended 30 September | |
|--|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Effective interest expenses on convertible notes | 378 | 311 | 685 | 618 |
| Effective interest expenses on promissory notes payable | 1,819 | 1,722 | 3,597 | 3,421 |
| Effective interest expenses on unsecured interest-bearing bond | 204 | 204 | 406 | 407 |
| Interest on secured bank loan | 12 | 176 | 180 | 338 |
| Interest on other loan | 679 | 1,806 | 1,247 | 3,613 |
| Interest on lease liability | 231 | 37 | 324 | 85 |
| | 3,323 | 4,256 | 6,439 | 8,482 |

7. TAXATION

| | Three months ended 30 September | | Six months ended 30 September | |
|--------------------------------------|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Hong Kong Profits Tax | | | | |
| – current year | 818 | — | 1,466 | — |
| – over-provision in prior year | — | — | — | (3,368) |
| PRC Enterprise Income Tax | | | | |
| – current year | (212) | 3,467 | 35 | 3,812 |
| | 606 | 3,467 | 1,501 | 444 |
| Reversal of temporary differences | (816) | — | (816) | — |
| | (210) | 3,467 | 685 | 444 |

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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%.

8. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging:

| | Three months ended 30 September | | Six months ended 30 September | |
|--|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) | 2020 HK\$'000 (Unaudited) | 2019 HK\$'000 (Unaudited) |
| Depreciation of property, plant and equipment | 875 | 809 | 1,721 | 1,923 |
| Depreciation of right-of-use assets | 894 | 663 | 1,599 | 1,314 |
| Directors' emoluments | 294 | 1,811 | 599 | 3,623 |
| Equity settled share-based payment expense | — | — | — | 6,971 |

9. DIVIDENDS

The Board does not recommend payment of any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

10. LOSS PER SHARE

(A) BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the unaudited loss attributable to owners of the Company of approximately HK\$5,428,000 (2019: HK\$1,759,000) by the weighted average number of ordinary shares of 380,019,818 (2019: 380,019,818) in issue for the three months ended 30 September 2020. Basic loss per share is calculated by dividing the unaudited loss attributable to owners of the Company of approximately HK\$7,807,000 (2019: HK\$14,437,000) by the weighted average number of ordinary shares of 380,019,818 (2019: 380,019,818) in issue for the six months ended 30 September 2020.

(B) 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 basic loss per share for Interim Period and the corresponding period last year.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020, the Group did not acquire any property, plant and equipment (six months ended 30 September 2019: HK\$8,739,000).

12. TRADE AND OTHER RECEIVABLES

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|--|---|---|
| Trade receivables from contract with customers | 52,897 | 38,838 |
| Less: Allowance for credit losses | (7,923) | (6,188) |
| | 44,974 | 32,650 |
| Other receivables | 26,187 | 48,887 |
| | 71,161 | 81,537 |

The majority of the Group's sales are on credit terms up to 120 days from the end of the month of invoice. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables are as follows:

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|----------------|---|---|
| Within 30 days | 31,873 | 13,200 |
| 31 – 60 days | 5,842 | 10,751 |
| 61 – 90 days | 2,945 | 5,891 |
| 91 – 180 days | 4,314 | 2,808 |
| | 44,974 | 32,650 |

13. TRADE AND OTHER PAYABLES

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|----------------|---|---|
| Trade payables | 17,950 | 4,638 |
| Other payables | 66,096 | 62,561 |
| | 84,046 | 67,199 |

The Group normally obtains credit terms ranging from 30 days to 120 days from its suppliers. The aging analysis of trade payables based on the due date is as follows:

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|------------------------|---|---|
| Not yet due | 6,113 | 3,745 |
| 1 – 30 days past due | 5,420 | 542 |
| 31 – 60 days past due | 6,412 | 172 |
| 61 – 90 days past due | 1 | 31 |
| 91 – 180 days past due | 4 | 85 |
| Over 180 days | — | 63 |
| | 17,950 | 4,638 |

14. PROMISSORY NOTES PAYABLE

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|-------------|---|---|
| Current | 51,862 | 30,072 |
| Non-current | 20,830 | 41,479 |
| | 72,692 | 71,551 |

Movements in promissory notes is analysed as follows:

| | 30 September 2020 HK\$'000 (Unaudited) | 30 September 2019 HK\$'000 (Unaudited) |
|----------------------------|---|---|
| At beginning of the period | 71,551 | 69,211 |
| Effective interest charged | 3,597 | 3,421 |
| Interest payable | (2,456) | (2,530) |
| At end of the period | 72,692 | 70,102 |

The principal amount of the promissory notes is denominated in Hong Kong dollars.

15. BORROWINGS

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|--|---|---|
| Secured bank loan (Note a) | 6,146 | 11,108 |
| Unsecured interest-bearing bond (Note b) | 10,000 | 10,000 |
| Other loan | 38,101 | 33,601 |
| | 54,247 | 54,709 |
| Less: Amount classified as current liabilities | (44,247) | (44,709) |
| Amount classified as non-current liabilities | 10,000 | 10,000 |

Notes:

(a) **Secured bank loan**

The scheduled principal repayments dates of the bank loan with reference to the bank loan agreement are as follows:

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|---|--|--|
| The carrying amount of the bank loan is repayable: Within one year | 6,146 | 11,108 |

15. BORROWINGS (Continued)

Notes: (Continued)

(b) Unsecured Interest-bearing bond

The unsecured interest-bearing bonds recognised in the consolidated statement of financial position of the Group is calculated as follows:

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|---------------------------------|--|--|
| At beginning of the period/year | 10,000 | 10,000 |
| Effective interest charged | 406 | 801 |
| Interest payable | (406) | (801) |
| At end of the period/year | 10,000 | 10,000 |

16. CONVERTIBLE NOTES

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|---------------------------------|---|---|
| At beginning of the period/year | 12,307 | 11,211 |
| Effective interest charged | 685 | 1,291 |
| Interest payable | (98) | (195) |
| At end of the period/year | 12,894 | 12,307 |

17. SHARE CAPITAL

| | Number of ordinary shares | Amount HK\$'000 |
|---|------------------------------|--------------------|
| <i>Authorised:</i> Ordinary shares of HK\$0.004 each At 1 April 2019 (Audited), 30 September 2019 (Unaudited), 31 March 2020 (Audited) and 30 September 2020 (Unaudited) | 2,000,000,000 | 8,000 |
| <i>Issued and fully paid:</i> At 1 April 2019 (Audited), 30 September 2019 (Unaudited), 31 March 2020 (Audited) and 30 September 2020 (Unaudited) | 380,019,818 | 1,520 |

18. SHARE-BASED PAYMENTS

EQUITY-SETTLED SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Scheme**”) for the purpose to attract, retain and motivate the eligible participants who contribute to the success of the Group’s operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company’s subsidiaries. The Scheme became effective on 27 April 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the time the Scheme was adopted. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive, business consultants or substantial shareholder of the Company (the “**Shareholders**”), or to any of their associates, are subject to approval in advance by the Independent Non-Executive directors. In addition, any share options granted to a substantial shareholder or an Independent Non-Executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to the Shareholders’ approval in advance in a general meeting.

18. SHARE-BASED PAYMENTS *(Continued)***EQUITY-SETTLED SHARE OPTION SCHEME** *(Continued)*

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the board of directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at the Shareholders' meetings.

Details of the share options outstanding during the period are as follows:

| | 30 September 2020 | | 30 September 2019 | |
|--|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Number of share options | Weighted average exercise price HK\$ | Number of share options | Weighted average exercise price HK\$ |
| Outstanding at beginning of the period | 63,553,050 | 1.62 | 31,572,400 | 3.20 |
| Granted during the period | — | — | 35,700,000 | 0.36 |
| Lapsed during the period | (2,640,000) | 2.52 | (2,640,000) | 2.52 |
| Outstanding and exercisable at the end of the period | 60,913,050 | 1.58 | 64,632,400 | 1.66 |

18. SHARE-BASED PAYMENTS *(Continued)***EQUITY-SETTLED SHARE OPTION SCHEME** *(Continued)*

The options outstanding at the end of the period have a weighted average remaining contractual life of 1.92 years (at 30 September 2019: 2.88 years) and the exercise price range from HK\$0.36 to HK\$7.82 (at 30 September 2019: from HK\$0.36 to HK\$7.82).

19. CAPITAL COMMITMENTS

| | 30 September 2020 HK\$'000 (Unaudited) | 31 March 2020 HK\$'000 (Audited) |
|--|---|---|
| Capital expenditure in respect of the acquisition of intangible asset contracted for but not fully provided in the consolidated financial statements | — | 2,230 |

20. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 September 2020 (At 31 March 2020: Nil).

OTHER INFORMATION PROVIDED IN ACCORDANCE WITH THE GEM LISTING RULES

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code"). During the Interim Period, the Company has complied with all the code provisions in the CG Code with the exception of the following:

Under Code Provision C.2.5 of the CG Code, the Group should have an internal audit function. The Group conducted an annual review on the need for setting up an internal audit department. Given the Group's simple operating structure, instead of setting up an internal audit department, the annual review on the risk management and internal control systems of the Group has been conducted by a professional third party and reported to the members of the Audit Committee. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. The Board is of the view that appropriate measures have been put in place to manage the risks and all issues raised for improvement were rectified.

Under Code Provision A.1.8 of the CG Code, the Group should arrange appropriate insurance cover in respect of legal action against its directors. Due to the suspension of trading in shares of the Company on the Stock Exchange since 2 July 2019, the Company is not able to neither extend the insurance cover which was expired on 31 March 2020 nor source a new insurance cover. The Company is working closely with its professional advisers towards the resumption of trading in the Company's shares as soon as possible and will procure a new insurance cover upon successful resumption.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the Code.

The Board has maintained a balance of skills and experiences appropriate for the requirements of the businesses of the Group. Its composition represents a mixture of management, accounts and finance, legal, marketing, manufacturing and procurement with comprehensive experience in and exposure to diversified businesses. It is the opinion of the Directors that the Board has the necessary skills and experience appropriate for discharging their duties as Directors in the best interest of the Company.

CHANGES IN DIRECTORS AND SUPERVISORS

RESIGNATION OF EXECUTIVE DIRECTOR

On 5 October 2020, Ms. Hui Sai Ha (“**Ms. Hui**”) resigned as an executive Director. Ms. Hui has confirmed that she has no disagreement with the Board and there is no other matter that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange in relation to her resignation.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “**Model Code**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Upon the specific enquiry made to all the Directors, the Company was not aware of any non-compliance with the Model Code regarding securities transactions by Directors during the six months ended 30 September 2020.

SHARE OPTION SCHEME

The Company has a share option scheme (the “**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 (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.

Particulars of the share options to subscribe for Shares granted pursuant to the Share Option Scheme as at the Interim Period are set out below:

| Grantee | Date of grant | Exercise price (Note 2) | Exercise period of share options | Outstanding as at 1 April 2020 (Note 1) | Granted during the period | Exercised during the period | Cancelled/ Lapsed during the period | Outstanding as at 30 September 2020 | Weighted | Approximate % of the Company's total issued share capital as at 30 September 2020 |
|--------------------------------|------------------|-------------------------------|-------------------------------------|--|---------------------------------|-----------------------------------|--|--|---|--|
| | | | | | | | | | Market value per share immediately before the date of grant of options (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 | – |
| | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,000,000 | – | – | – | 3,000,000 | HK\$0.36 | 0.79% |
| Hui Sai Ha | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,500,000 | – | – | – | 3,500,000 | HK\$0.36 | 0.92% |
| Yuan Beisheng | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,500,000 | – | – | – | 3,500,000 | HK\$0.36 | 0.92% |
| Zhang Wenrong | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,000,000 | – | – | – | 3,000,000 | HK\$0.36 | 0.79% |
| Ex-executive Directors: | | | | | | | | | | |
| Zou Donghua | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,800,000 | – | – | – | 3,800,000 | HK\$0.36 | 1.00% |
| Zheng Jian Peng | 16 April 2019 | HK\$0.36 | 16 April 2019 – 15 April 2022 | 3,800,000 | – | – | – | 3,800,000 | HK\$0.36 | 1.00% |
| 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\$4.28 | 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 | 3,650,000 | – | – | – | 3,650,000 | 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 September 2020, 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 | Nature of interest | Share options | Approximate percentage of Shareholding in the Company |
|-------------------|--------------------|---------------|---|
| Mr. Rong Changjun | Beneficial owner | 5,640,000 | 0.79% |
| Ms. Hui Sai Ha | Beneficial owner | 3,500,000 | 0.92% |
| Mr. Yuan Beisheng | Beneficial owner | 3,500,000 | 0.92% |
| Mr. Zhang Wenrong | Beneficial owner | 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 September 2020, none of the Directors or chief executives of the Company 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

So far as the Directors are aware, as at 30 September 2020, the following persons (other than the Directors or chief executives of the Company) had an interest and short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

- (a) Aggregate long position in the shares and underlying shares of the Company

| Name | Nature of interest | Number of ordinary shares of the Company held | Share options | Approximate percentage of shareholding in the Company |
|-------------|--------------------|---|---------------|---|
| Zou Donghai | Beneficial owner | 35,000,000 | 3,800,000 | 10.21% |

- (b) Aggregate short position in the shares and underlying shares of the Company

As at 30 September 2020, the Company had not been notified of any short positions being held by any substantial shareholders in the shares or underlying shares of the Company.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 September 2020.

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 Director, 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 unaudited consolidated results of the Company for the Interim Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the Interim Period.

INTEREST IN COMPETING BUSINESS

During the Interim Period, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined under GEM Listing Rules) had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Company or any other conflict of interest with the Company.

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, 13 November 2020

As at the date of this report, the executive Directors are Mr. Rong Changjun, Mr. Zhang Wenrong, Mr. Yuan Beisheng, 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.