



中油港燃能源集團控股有限公司

CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8132

# First Quarterly Report 2020



## 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.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*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 2020 (the “Financial Period”) was approximately HK\$32.5 million, representing an increase of approximately 162% from approximately HK\$12.4 million for the comparable period of last year. Such increase in the unaudited revenue was mainly due 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 decreased to approximately HK\$2.4 million from approximately HK\$12.7 million for the comparable period of last year. The decrease in loss attributable to the Company’s owners was mainly due to the decrease of share based payment expenses by approximately HK\$7.0 million and the increase in gross profit by approximately HK\$2.7 million compared to the corresponding period last year.

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”), 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 which 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 Financial 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 the geographical market performance, the United States and the PRC contributed to approximately 21% (2019: approximately 45%) and approximately 45% (2019: approximately 37%) of the Group's total unaudited revenue respectively, while the remaining approximate 34% (2019: approximately 18%) 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 Financial 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 Financial Period, the Group's unaudited revenue from power and data cords for mobile phones increased by 227% to approximately HK\$14.7 million (2019: approximately HK\$4.5 million). The increase in unaudited revenue during the Financial Period was due to the introduction of new products, headsets for adults and kids, since the fourth 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 Financial Period, the Group's unaudited revenue from medical control devices was approximately HK\$15.9 million (2019: approximately HK\$5.6 million), representing a year-on-year increase of approximately 184%, 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 Financial Period, the Group's unaudited revenue from power cords and inlet sockets for household electric appliances was approximately HK\$2.0 million (2019: approximately HK\$2.2 million), representing a stable revenue in this section as compared to the corresponding period last year.

## **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 Financial 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 Financial Period (2019: Nil).

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 October 2020 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.

## 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 in respect of the acquisition of 3 Dynamics (the “Sale and Purchase Agreement”), Mr. Chung Wai Sum (the “Vendor”) irrevocably and unconditionally warranted and guaranteed to Dynamic Miracle Limited, a directly 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 auditors of 3 Dynamics, 3 Dynamics recorded a net loss after tax in its audited financial statement for the Relevant Period. Under the terms and conditions as stipulated in the Sale and Purchase Agreement, 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 and an amount of HK\$20,000,000 was received by the Group to partially settle the Profit Guarantee obligation of the Vendor.

As at 30 June 2020 and 31 March 2020, 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) 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 2020, the Company was in continuous negotiations with the Vendor to recover the Contingent Consideration Receivables.

## OUTLOOK

During the Financial Period, the global economic environment was deeply affected by the COVID-2019 outbreak. 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. Despite the challenging macro-economic conditions, the Group recorded an 162% increase in unaudited revenue as compared to the corresponding period last year due to the introduction of new products since the fourth quarter 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.



## 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 2019 as follows:

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

For the three months ended 30 June 2020

	Notes	For the three months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>32,528</b>	12,417
Cost of sales		(25,896)	(8,512)
<b>Gross profit</b>		<b>6,632</b>	3,905
Other income and gain, net	4	1,009	1,023
Selling expenses		(852)	(715)
Administrative expenses		(3,503)	(15,688)
<b>Profit (loss) from operations</b>		<b>3,286</b>	(11,475)
Finance costs	5	(3,116)	(4,226)
<b>Profit (loss) before tax</b>		<b>170</b>	(15,701)
Taxation	6	(895)	3,023
<b>Loss for the period</b>		<b>(725)</b>	(12,678)
<b>Other comprehensive income (expenses), net of tax:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		19	(794)
<b>Total comprehensive expenses for the period</b>		<b>(706)</b>	(13,472)

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

For the three months ended 30 June 2020

	Notes	For the three months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>Profit (loss) for the period attributable to:</b>			
Owners of the Company		(2,379)	(12,678)
Non-controlling interests		1,654	—
		<b>(725)</b>	<b>(12,678)</b>
<b>Total comprehensive profit (loss) for the period attributable to:</b>			
Owners of the Company		(2,358)	(13,474)
Non-controlling interests		1,652	2
		<b>(706)</b>	<b>(13,472)</b>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share</b>	7		
Basic		(0.6)	(3.3)
Diluted		(0.6)	(3.3)

# 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") are (i) power and data cords business; (ii) trading of refined oil and chemicals business; and (iii) trading of commodities.

### 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 2020.

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 2020, 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	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Sales of power and data cords and inlet sockets	<b>32,528</b>	12,417

## 4. OTHER INCOME AND GAIN, NET

	For the three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest income	1	5
Net foreign exchange gain (loss)	41	(78)
Sundry income	679	1,097
Gain arising on disposal of a subsidiary	288	—
Loss on disposal of property, plant and equipment	—	(1)
	<b>1,009</b>	1,023

## 5. FINANCE COSTS

	For the three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Effective interest expenses on convertible notes	307	307
Effective interest expenses on promissory notes payable	1,778	1,699
Effective interest on unsecured interest-bearing bond	202	203
Interest on secured bank loan	362	162
Interest on other loan	374	1,807
Interest on leases liabilities	93	48
	<b>3,116</b>	<b>4,226</b>

## 6. TAXATION

	For the three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
– current year	(648)	—
– over-provision in prior years	—	3,368
PRC Enterprise Income Tax		
– current year	(247)	(345)
	<b>(895)</b>	<b>3,023</b>
Deferred tax	—	—
	<b>(895)</b>	<b>3,023</b>

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%.

## 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\$2,379,000 (2019: approximately HK\$12,678,000) by the weighted average number of ordinary shares of 380,019,818 (2019: 380,019,818) 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 last year.

## 8. DIVIDEND

No dividend had been paid or declared by the Company for the Financial Period (2019: Nil).

## 9. RESERVES

	(Unaudited)										
	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 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 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)	(80,315)	(88)	(80,403)
At 1 April 2020	1,520	703,768	1,998	2,215	3,030	(2,091)	52,553	(860,362)	(97,369)	3,278	(94,091)
Total comprehensive loss for the period	—	—	—	—	—	21	—	(2,379)	(2,358)	1,652	(706)
Share options lapsed	—	—	—	—	—	—	(3,263)	3,263	—	—	—
At 30 June 2020	1,520	703,768	1,998	2,215	3,030	(2,070)	49,290	(859,478)	(99,727)	4,930	(94,797)

## 10. CAPITAL COMMITMENTS

	30 June 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	2,230

## 11. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at 30 June 2020 and 31 March 2020.

## 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 2020 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 June 2020	Weighted average closing price	Approximate
									Market value per share immediately before the date of grant of options (Note 2)	% of the total issued share capital as at 30 June 2020
<b>Executive Directors:</b>										
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%
<b>Ex-executive Directors:</b>										
Zou Donghai	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%
<b>Other Categories:</b>										
Consultants	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 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	3,000,000	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 June 2020, 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

As at 30 June 2020, so far as is known to any Director or chief executive of the Company, the following persons (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 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		Approximate percentage of shareholding in the Company
		ordinary shares of the Company held	Share options	
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 June 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 June 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 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 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, 29 September 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.