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CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED

珠江石油天然氣鋼管控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1938)

CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

RESIGNATION OF AUDITOR

The Board announces that Ernst & Young (“**EY**”) has resigned as the auditor of the Company with effect from 15 December 2021. EY has confirmed in its letter of resignation dated 15 December 2021 that there are no matters or circumstances connected with its resignation that need to be brought to the attention of the shareholders of the Company.

The Company and EY could not reach a consensus in respect of the audit fee of the Company for the year ending 31 December 2021. The Board and the audit committee of the Company (the “**Audit Committee**”) have also confirmed that there is no disagreements or unresolved matters between EY and the Company, and that there are no other matters in respect of the change of auditor which should be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude and appreciation to EY for its professional and quality services rendered to the Company during the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit Committee, KTC Partners CPA Limited (“**KTC**”), has been appointed as the new auditor of the Company with effect from 16 December 2021 to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to Article 173 of the articles of association of the Company, the Board has the power to fill the vacancy in the office of auditor and to fix the remuneration of the auditor so appointed. Accordingly, no extraordinary general meeting will be held for such purpose.

The Board and the Audit Committee are of the view that the change of auditor would enable the Company to carry out effective cost control and reduce the overall operating expenses of the Company to better cope with the future business development of the Group and is in the interest of

the Company and its shareholders as a whole.

The Board further confirmed that EY has not commenced any audit work on the consolidated financial statements of the Group for the year ending 31 December 2021. The Board believes that the change of auditor will not have any impact on the annual audit of the Group for the year ending 31 December 2021.

The Board would like to take this opportunity to express its warm welcome to KTC on its appointment as the auditor of the Company.

By order of the Board
**Chu Kong Petroleum and Natural Gas
Steel Pipe Holdings Limited**
Chen Chang
Chairman

Guangdong Province, the PRC, 16 December 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chen Chang, Mr. Chen Guo Xiong and Ms. Chen Zhao Nian; and three independent non-executive directors, namely Mr. Chen Ping, Mr. Tian Xiao Ren and Mr. Au Yeung Kwong Wah.