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## **CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.**

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

**(Stock Code: 1940)**

### **QUARTERLY UPDATE ANNOUNCEMENT**

This announcement is made by CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the Company’s (i) announcement dated 31 March 2021 (the “**31 March Announcement**”) in relation to, among other matters, the delay in the publication of the 2020 Annual Results, the Investigation on the Transactions to address the Matters raised by the Company’s then auditors, PwC, and suspension of trading in the shares of the Company; (ii) holding announcement dated 11 May 2021 in relation to, among others, the suspension of duties of Mr. David T CHEN as an executive Director and the chairman of the Board, pending outcome of the Investigation; (iii) announcement dated 28 May 2021 in relation to the Resumption Guidance for the resumption of trading in the shares of the Company (the “**28 May Announcement**”); (iv) announcement dated 24 June 2021 in relation to the quarterly update on suspension of trading; (v) announcement dated 1 September 2021 in relation to, among other matters, the delay in the publication of the 2021 Interim Results (the “**1 September Announcement**”); (vi) announcement dated 30 September 2021 in relation to the quarterly update on suspension of trading; and (vii) announcement dated 3 December 2021 in relation to change of auditors (the “**3 December Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the said announcements unless otherwise stated herein.

## **RESUMPTION GUIDANCE**

As disclosed in the 28 May Announcement, the Stock Exchange has set out the following Resumption Guidance for the Company:

- 1) conduct an appropriate independent investigation into the Transactions, announce the investigation findings, assess and announce the impact on the Company's business operation and financial position and take appropriate remedial actions;
- 2) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- 3) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- 4) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- 5) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

## **RESUMPTION PLAN OF THE GROUP AND PROGRESS OF THE RESUMPTION PLAN**

In compliance with Rule 13.24A of the Listing Rules, the Company wishes to provide the following updates on the progress and development in relation to the resumption of trading in the shares of the Company:

### **Key Events**

### **Timeframe**

Change of auditors

As disclosed in the 3 December Announcement, PwC has tendered its resignation as the auditors of the Company with effect from 29 November 2021, as the Company and PwC could not reach agreement on the timeline for completion of the FY2020 Audit in light of the ongoing Investigation, despite the continued communication between the Investigation Committee, the Audit Committee and PwC in relation to the Investigation and the FY2020 Audit. BDO Limited (“**BDO**”), with the recommendation of the Audit Committee, has been appointed as the new auditors of the Company with effect from 3 December 2021 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company.

Following the engagement of the BDO on 3 December 2021, audit works in respect of the 2020 Annual Results have been commenced. The Company will work closely with BDO for timely completion of the audit works and publication of the 2020 Annual Results as soon as possible.

Conducting the Investigation, announcing the findings of the Investigation, assessing and announcing the impact on the Company's business operations and financial position (if any), and taking remedial actions

As at the date of this announcement, the Investigation is still ongoing. The expected timeframe to announce the findings of the Investigation, to assess and announce the impact on the Company's business operation and financial position (if any), and to take remedial actions is subject to the actual work progress and further assessment by the Board. The Board will make further announcement(s) in respect of the progress of the Investigation as and when appropriate. In the meantime, the Board shall continue to inform the shareholders and potential investors of the Company of all material information of the Company.

The Company has also identified an independent internal control consultant for the Group to review its internal control systems and procedures and make recommendations on remedial actions in response to the Matters, and is in the course of finalising the engagement as at the date of this announcement. The Company will make further announcement(s) in due course.

Publication of the 2020 Annual Results and 2021 Interim Results

As disclosed in the 31 March Announcement, the publication of the 2020 Annual Results has been delayed pending outcome of the Investigation. As also disclosed in the 1 September Announcement, since the publication of the 2020 Annual Results is still pending, the publication of the 2021 Interim Results has been delayed.

Despite the best efforts made by the Board and the management of the Company in cooperating with KPMG, the forensic accountant, and the predecessor and current auditors, i.e. PwC and BDO, respectively, the Investigation is still in progress. It is expected that BDO will complete the FY2020 Audit upon its satisfaction of the results of the Investigation. It is currently uncertain as to how long it will take for BDO to complete the FY2020 Audit.

The Company, as assisted by the Investigation Committee and its professional advisers, will endeavour to publish the 2020 Annual Results and the 2021 Interim Results as soon as practicable, the expected timeframe of which is subject to further assessment by the Board.

The Board will make further announcement(s) in respect of the progress of the FY2020 Audit, completion of the unaudited 2021 Interim Results as well as the release of the audited 2020 Annual Results and the unaudited 2021 Interim Results as and when appropriate. In the meantime, the Board shall continue to inform the shareholders and potential investors of the Company of all material information on the Company.

Publication of the annual report for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the 2021 Interim Report

Subject to the progress of the preparation of the 2020 Annual Results and 2021 Interim Results. The Board will make further announcement(s) in respect of the expected dates of despatch of the 2020 Annual Report and 2021 Interim Report as and when appropriate.

Convening of the annual general meeting (the “**2021 AGM**”)

Subject to the publication of the 2020 Annual Results and the despatch of the 2020 Annual Report. The Board will inform the shareholders of the Company of the date of the 2021 AGM by way of further announcement(s) as and when appropriate.

Resumption of trading in the shares of the Company

Subject to further assessment by the Board and confirmation of the Stock Exchange.

Other matters

The Company is in discussion with Mr. BAI Xueping, the chief financial controller of the Company, on his retirement. Ms. WANG Xiangwen has been appointed as the acting chief financial controller.

The Company is taking appropriate steps to fulfil the Resumption Guidance and will update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate.

## **BUSINESS UPDATE**

The Group principally engages in the production and supply of both pipeline and liquefied industrial gas in the Hebei Province of the PRC. The Group also engages in the supply of liquefied natural gas and provision of gas transmission service.

As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. The Board will continue to assess and monitor the impact of the suspension of trading on the operations and financial performance of the Company.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:33 a.m. on 25 March 2021 pending the publication of the 2020 Annual Results by the Company and will remain suspended until further notice pending the Company's fulfilment of the Resumption Guidance.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.**  
**SIU Chi Hung, LI Chun Elsy and XIAO Huan Wei**  
*Independent non-executive directors*

Hong Kong, 24 December 2021

*As of the date of this announcement, the Board comprises: (1) Mr. David T CHEN (duties suspended), Mr. YAO Li and Ms. GAO Guimin as the executive Directors; (2) Mr. ZHANG Aimin, Mr. LAI Yui and Ms. NG Shuk Ming as the non-executive Directors; and (3) Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy as the independent non-executive Directors.*