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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 relevant 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; (vi) announcement dated 30 September 2021 in relation to the quarterly update on suspension of trading; (vii) announcement dated 3 December 2021 in relation to change of auditors; and (viii) announcement dated 24 December 2021 in relation to the quarterly update on suspension of trading (the “**24 December Announcement**”); (ix) announcement dated 21 March 2022 in relation to the meeting of the Board (the “**Board Meeting**”) to be held on Thursday, 31 March 2022 for the purpose of considering and approving the 2020 Annual Results, the 2021 Interim Results and the annual results of the Company and its subsidiaries for the year ended 31 December 2021 and their publications (the “**21 March Announcement**”); and (x) announcement dated 23 March 2022 in relation to the key findings of the Independent Investigation (the “**Investigation Findings 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

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

Timeframe

As at the date of this announcement, the Independent Investigation has been completed. Two Draft Investigation Reports were issued by the Forensic Accountant to the Investigation Committee. Following the discussions with other members of the Board, the Investigation Committee delivered, for the Board's consideration and implementation, its finalised recommendations based on the Draft Investigation Reports. The key findings of the Independent Investigation, the views of and recommendations from the Investigation Committee, the Board's assessment of the impact on the Company's business operations and financial position and the appropriate remedial actions taken/to be taken by the Company were disclosed in the Investigation Findings Announcement.

The Company has engaged an independent internal control consultant (the "**Internal Control Consultant**") to review the Group's internal control systems and procedures in response to the concerns identified during the Independent Investigation. The Company has implemented enhancements to its internal control measures and will continue to enhance its internal controls measures to address the concerns identified during the Independent Investigations, and will resolve all issues identified by the Internal Control Consultant in the review of the Group's internal control systems and procedures, as disclosed in the Investigation Findings Announcement.

Publication of the 2020 Annual Results, 2021 Interim Results and annual results of the Company and its subsidiaries for the year ended 31 December 2021 (**“2021 Annual Results”**)

As disclosed in the 24 December Announcement, following the engagement of BDO on 3 December 2021, audit works in respect of the 2020 Annual Results have been commenced. BDO has substantially completed the FY2020 Audit. The Company is working closely with BDO and its professional advisors in relation to the publication of the 2020 Annual Results. BDO has substantially completed its review of the unaudited condensed financial statements of the Group for the six months ended 30 June 2021. The Company is working closely with its professional advisors in relation to the publication of the 2021 Interim Results.

As disclosed in the 21 March Announcement, the Board Meeting will be held on 31 March 2022 for the purpose of considering and approving the 2020 Annual Results and the 2021 Interim Results and their publications.

As disclosed in the 21 March Announcement, the Board Meeting will also consider and approve the 2021 Annual Results and their publications, and recommendation of a final dividend, if any.

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

The Board will make further announcement(s) in respect of the expected date(s) of despatch of the 2020 Annual Report, 2021 Interim Report and the 2021 Annual Report as and when appropriate.

Convening of the annual general meeting of the Company (the **“2022 AGM”**)

Subject to the publication of the 2020 Annual Results, the despatch of the 2020 Annual Report, the publication of the 2021 Annual Results, and the despatch of the 2021 Annual Report. The Board will inform the shareholders of the Company of the date of the 2022 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 had been 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 of the Company.

Mr. BAI Xueping had formally retired from the position in February 2022. The Company will identify and appoint a suitably qualified accountant with the relevant professional experience as the chief financial officer of the Company as soon as practicable. The Board will make a further announcement in respect of such appointment as and when appropriate.

At the recommendation of the Investigation Committee, the Board resolved that Mr. David T CHEN is no longer suited to hold any position within the Group, and steps will be taken to remove him from all offices he holds within the Group (including removing him as a Director).

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.
YAO Li
Vice chairman and Executive Director

Hong Kong, 24 March 2022

As of the date of this announcement, the Board comprises: (1) Mr. David T CHEN (duties suspended), 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.