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蘇創燃氣
SUCHUANG GAS

SUCHUANG GAS CORPORATION LIMITED

蘇創燃氣股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1430)

**INSIDE INFORMATION
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Suchuang Gas Corporation Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

PLEDGE OF DEPOSITS

In September 2021, the Company was informed by Ernst & Young, the auditors of the Company, that certain pledges over bank deposits that two of the Company’s subsidiaries entered into may not have been accounted for and disclosed in the information contained in the Company’s announcement dated 31 August 2021 in respect of the Group’s interim results for the six months ended 30 June 2021 (“**2021 Interim Results Announcement**”).

During its audit process in respect of the proposed take-private of the Company as announced in the Take-Private Announcement (defined below), Ernst & Young has received bank confirmation letters of the Group as at 30 June 2021 which showed that certain bank deposits owned by two of the Company’s subsidiaries, namely Jiangsu Tengxu Energy Management Company Limited (江蘇騰旭能源管理有限公司) (“**Jiangsu Tengxu**”), and Suzhou Zhongyu Energy Development Co., Ltd. (蘇州中宇能源發展有限公司) (“**Suzhou Zhongyu**”), have been pledged. Through further investigation, the Board understands that certain bank deposits owned by Taicang Natural Gas Company Limited (太倉市天然氣有限公司) (“**Taicang Natural Gas**”), a subsidiary of the Company have also been pledged. Jiangsu Tengxu and Suzhou Zhongyu are direct subsidiaries of Taicang Natural Gas (Taicang Natural Gas, Jiangsu Tengxu and Suzhou Zhongyu, together the “**Subsidiaries**”), and the Subsidiaries are not part of the Disposal Group as defined in the Take-Private Announcement (defined below).

The board of directors (the “**Board**”) of the Company has commenced an investigation for the purpose of ascertaining the financial position and bank records of the Subsidiaries. The preliminary findings revealed that as at the date of this announcement: (i) the bank deposit pledged by Suzhou Zhongyu has been released, and (ii) Jiangsu Tengxu and Taicang Natural Gas has pledged certain bank deposits that they maintained at five different banks in the People’s Republic of China (the “**Banks**”) for an aggregate sum of RMB202.0 million and RMB113.1 million, respectively, under several deposit pledge contracts (the “**Deposit Pledge Contracts**”) to guarantee the indebtedness of several companies (the “**Borrowers**”) for the opening or entering into of bank acceptance agreements (《銀行承兌協議》) (the “**Bank Acceptance Agreements**”), bank acceptance bill acceptance agreements (《銀行承兌匯票承兌協議書》) (the “**Bank Acceptance Bill Acceptance Agreements**”), a domestic letter of credit contract (《國內信用證開證合同》) (the “**Domestic Letter of Credit Contract**”) and working capital loan agreements (《流動資金借款合同》) between the respective Borrowers and the Banks to obtain facilities of an aggregate amount of RMB319.0 million. In addition, an electronic commercial acceptance bill (《電子商業承兌匯票》) was entered into between Taicang Natural Gas and Shanghai Pudong Gas Development Co., Ltd (上海浦東燃氣發展有限公司) in the amount of RMB50 million (the “**Acceptance Bill**”). Based on the terms of the Deposit Pledge Contracts and the Acceptance Bill, the agreed expiry dates ranged from October 2021 to April 2022. Taicang Natural Gas also entered into a guarantee with a Bank to guarantee the bank acceptance agreements and the working capital loan agreements entered into between the Bank and a Borrower for a maximum amount of RMB137.5 million.

To the best knowledge and information of the management of the Company based on the public information available as at the date of this announcement, the Borrowers, Shanghai Pudong Gas Development Co., Ltd and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. The Board is assessing the Listing Rules implications in relation to the aforesaid transactions, in particular the implications under Chapters 14 and 14A of the Listing Rules.

The Board is consulting its legal advisers as to having the Deposit Pledge Contracts released as soon as practicable. The Board has suspended the relevant employees who were involved in the Deposit Pledge Contracts from work and requested such employees to assist with the investigation.

The Board will continue to investigate the matter, take appropriate actions and make further announcement(s) to inform the shareholders of the Company (the “**Shareholders**”) about the progress as and when appropriate.

2021 INTERIM REPORT AND 2021 INTERIM RESULTS ANNOUNCEMENT

The Company has commenced an assessment of the financial impact of the Deposit Pledge Contracts on the Group. After due and careful consideration, the Board is of the view that it would not be appropriate for the Company to publish the interim results report for the six months ended 30 June 2021 (the “**2021 Interim Report**”) of the Group prior to the full assessment of the impact of the Deposit Pledge Contracts to the financial position of the Group as at 30 June 2021. There would be a delay in the publication of the 2021 Interim Report of the Group to the Shareholders before the end of September 2021 pursuant to Rule 13.48(1) of the Listing Rules.

Further, the Board is also assessing the impact of the Deposit Pledge Contracts, if any, on the information contained in the 2021 Interim Results Announcement.

The Company will make further announcement(s) with respect to the date of despatch of the 2021 Interim Report and to provide update(s) as to the impact on the 2021 Interim Results Announcement (if any) as and when appropriate.

PROPOSAL FOR THE TAKE-PRIVATE OF THE COMPANY

Reference is made to the announcement jointly issued by China Resources Gas (Hong Kong) Investment Limited (the “**Offeror**”) and the Company dated 25 August 2021 in relation to, among others, the proposal for the take-private of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act of the Cayman Islands (the “**Take-Private Announcement**”).

The Company has informed the Offeror on the issues related to the Deposit Pledge Contracts. The Company will update the Shareholders about the progress of any discussion with the Offeror as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on Monday, 27 September 2021 and will remain suspended until further notice.

The Company will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to pay attention to investment risks and exercise caution when they deal or contemplate dealing in the securities of the Company.

By Order of the Board
Suchuang Gas Corporation Limited
Su Yi
Chairman and Executive Director

Taicang City, Suzhou, Jiangsu Province, PRC, 30 September 2021

As at the date of this announcement, the Company's executive directors are Ms. Su Yi, Mr. Du Shaozhou, Mr. Li Jianyi and Ms. Su Wen; the non-executive directors are Mr. Xu Lei and Mr. Jin Bo; and the independent non-executive directors are Mr. Zhou Qingzu, Mr. Zhu Tong and Mr. Feng Yi Jing.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.