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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 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 other matters, 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; (viii) announcement dated 24 December 2021 in relation to the quarterly update on suspension of trading; (ix) announcement dated 21 March 2022 in relation to the meeting of the Board 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 2021 Annual Results and their publications; (x) announcement dated 23 March 2022 in relation to the key findings of the Independent Investigation (the “**Investigation Findings Announcement**”); (xi) announcement dated 24 March 2022 in relation to the quarterly update on suspension of trading (the “**24 March Announcement**”); (xii) announcements dated 31 March 2022 in relation to, the 2020 Annual Results, the 2021 Interim Results and 2021 Annual Results; (xiii) announcement dated 31 March 2022 in relation to, among other matters, the proposed removal of director and

change of chairman of the Board and the Nomination Committee; (xiv) announcement dated 31 March 2022 in relation to the appointment of chief executive officer (the “**CEO Appointment Announcement**”); (xv) supplemental announcement dated 1 April 2022 in relation to updates on the quarterly update on suspension of trading (the “**1 April Supplemental Announcement**”); (xvi) notice dated 12 April 2022 in relation to the extraordinary general meeting of the Company to be held and convened on Thursday, 5 May 2022 for the purpose of considering and approving the removal of Mr. David T CHEN as an executive Director; (xvii) notice dated 29 April 2022 in relation to the 2022 AGM to be held and convened on Thursday, 2 June 2022; (xviii) announcement dated 3 May 2022 in relation to, among other matters, the change of chairman of the Board and Nomination Committee (the “**Change of Chairman Announcement**”); (xix) announcement dated 5 May 2022 in relation to the poll result of the extraordinary general meeting and removal of Mr. David T CHEN as an executive Director (the “**Director Removal Result Announcement**”); (xx) announcement dated 9 May 2022 in relation to, among other matters, the receipt of writ of summons issued by Mr. David T CHEN (the “**Writ of Summons Announcement**”); and (xxi) announcement dated 2 June 2022 in relation to the poll results of the 2022 AGM (the “**2022 AGM Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the said announcements and notices 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

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 disclosed in the Investigation Findings Announcement, the 24 March Announcement and the 1 April Supplemental Announcement, the Independent Investigation has been completed. Two Draft Investigation Reports were issued by the Forensic Accountant to the Investigation Committee. 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 Final Investigation Reports were issued by the Forensic Accountant on 31 March 2022. There is no material change in (i) the findings of the Independent Investigation between the Draft Investigation Reports and the Final Investigation Reports; (ii) the views of the Board and the Investigation Committee on the Independent Investigation; and (iii) the recommendations for further actions from the Investigation Committee.

As disclosed in the Investigation Findings Announcement, the 24 March Announcement and the 1 April Supplemental Announcement, the Company has engaged 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 internal control review report was issued by the Internal Control Consultant on 31 March 2022.

The Company has implemented enhancements to its internal control measures and will continue to enhance its internal control 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.

Publication of the 2020 Annual Results, 2021 Interim Results and 2021 Annual Results

On 31 March 2022, the Company published the 2020 Annual Results, 2021 Interim Results and 2021 Annual Results on the website of the Stock Exchange and that of the Company.

Publication of the 2020 Annual Report, 2021 Interim Report and 2021 Annual Report

On 28 April 2022, the Company published the 2020 Annual Report, 2021 Interim Report and the 2021 Annual Report.

Convening of the 2022 AGM

As disclosed in the 2022 AGM Announcement, the AGM was duly held and convened on 2 June 2022.

Resumption of trading in the shares of the Company

On 13 May 2022, the Company submitted a resumption proposal (the “**Resumption Proposal**”) to the Stock Exchange. Since then, the Company had submitted to the Stock Exchange further supplemental information on the Resumption Proposal. As at the date of this announcement, the Resumption Proposal and the resumption of trading in the shares of the Company are still pending approval and confirmation by the Stock Exchange.

Other matters

The Company is in a mature stage of discussion with a potential candidate in relation to the terms of his appointment as the chief financial officer cum company secretary of the Company. The Board will make a further announcement in respect of such appointment as and when appropriate.

As disclosed in the Director Removal Result Announcement, the ordinary resolution for the Proposed Removal was passed by the Shareholders at the EGM duly held and convened on 5 May 2022. Accordingly, with effect from 5 May 2022 (after the conclusion of the EGM), Mr. David T CHEN was removed as an executive Director and ceased to be a member of the Nomination Committee.

As disclosed in the Change of Chairman Announcement, the Board resolved that, with effect from 3 May 2022, Mr. YAO Li, an executive Director, was appointed as the chairman of the Board and the chairman of the Nomination Committee in place of Mr. David T CHEN, and ceased to be the vice chairman of the Board and the Nomination Committee.

On 4 May 2022, the Company received the Writ issued out of the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by Mr. David T CHEN as plaintiff. For details of the Writ, please refer to the Writ of Summons Announcement. As at the date of this announcement, the Company is seeking legal advice on its defence. The Company will keep the Shareholders and potential investors of the Company informed of any significant development by way of announcement as and when appropriate in accordance with the Listing Rules.

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 Group has begun the implementation of phase II of the development of the Zhongqi Investment plant (as defined in the prospectus of the Company dated 16 December 2020), including the procurement and construction of an additional air separation unit with a designed production capacity of 60,000 Nm³/hr of oxygen. The Directors expect that the construction of the abovementioned air separation unit will enhance the Group's revenue stream and is in the interest of the Group and the Shareholders as a whole.

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
Chairman and Executive Director

Tangshan, 24 June 2022

As of the date of this announcement, the Board comprises: (1) Mr. YAO Li (Chairman) 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.