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SINO GAS HOLDINGS GROUP LIMITED
中油潔能控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1759)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Sino Gas Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

PROPOSED CHANGE OF AUDITOR

The board (the **"Board"**) of directors (the **"Directors"**) of the Company announces that Forvis Mazars CPA Limited ("**Forvis Mazars**"), the auditor of the Company, tendered its resignation as auditor of the Company with effect from 5 November 2026, following the notification from the management of the Company regarding the Board's proposal to change the auditor due to audit fee consideration.

Forvis Mazars has confirmed in its resignation letter that there are no matters (including, but not limited to, any occurrence that affect the relationship between the Company and Forvis Mazars) that need to be brought to the attention of the shareholders of the Company (the **"Shareholders"**). The Board and the audit committee of the Board (the **"Audit Committee"**) confirm that, save for the disagreement on the audit fee for the financial year ending 31 December 2026, there is no disagreement or unresolved audit issue between the Company and Forvis Mazars, and there are no other matters in relation to its resignation that need to be brought to the attention of the Shareholders. The Board further confirms that, as at the date of this announcement, Forvis Mazars has not commenced the audit work in relation to the consolidated financial statements of the Group for the financial year ending 31 December 2026. It is expected that the change of auditor will not have any material impact on the annual audit and the release of annual results of the Group for the financial year ending 31 December 2026.

The Board would like to take this opportunity to express its gratitude to Forvis Mazars for its professional services and support in previous years.

PROPOSED APPOINTMENT OF NEW AUDITOR

The Board further announces that, upon the recommendation of the Audit Committee, ZSZH (HK) Fuson CPA Limited ("**ZSZH Hong Kong**") has been proposed by the Board to be appointed as the new auditor of the Company following the resignation of Forvis Mazars to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the Board to fix its remuneration (the **"Proposed Change of Auditor"**), subject to the approval by the Shareholders at an extraordinary general meeting of the Company (the **"EGM"**).

Background to the Proposed Change of Auditor

On 30 April 2026, the Company published the circular (the "**AGM Circular**") for the 2025 annual general meeting of the Company (the "**AGM**"). Pursuant to the relevant guidance of the Stock Exchange and the requirements of the Listing Rules, the AGM Circular set out an ordinary resolution proposing to re-appoint Forvis Mazars as the auditor of the Company, to hold office from the date of approval at the AGM until the conclusion of the next annual general meeting, and to authorise the Board to determine its remuneration.

On 26 June 2026, the Company held the AGM, and the said ordinary resolution for the re-appointment of Forvis Mazars was passed by the Shareholders by way of poll.

During October 2026, in preparation for the annual audit for the year ending 31 December 2026, the Company commenced formal discussions with Forvis Mazars regarding the audit fee for the Group. On 2 November 2026, Forvis Mazars submitted to the Company a quotation for the audit fee for 2026, proposing an audit fee of RMB1,155,000.

After review of Forvis Mazars's fee proposal and communications with Forvis Mazars, management understands that Forvis Mazars's quotation was determined based on its professional judgement and its assessment of the workload, considering the Group's latest interim financial results, for the audit of the Group for 2026. Forvis Mazars's quotation was primarily based on its comprehensive assessment of the Group's business development, audit scope and workload, and reflects the level of professional resources it would need to devote to completing the current year's audit work. However, taking into account the Group's current cost control objectives and overall financial management strategy, management considered it necessary to invite other candidate auditors to submit quotations and service proposals for comparative evaluation, so as to make the most appropriate choice in the interests of the Company and the Shareholders as a whole.

In this regard, the Company successively invited ZSZH Hong Kong and another professional audit firm (the "**Potential Auditor**") to submit proposals and fee quotations for the Group's 2026 audit services. Including Forvis Mazars's quotation, the Audit Committee obtained independent fee proposals from a total of three professional audit firms for comparative evaluation. The Company also invited Forvis Mazars to consider providing a more price-competitive fee quote.

On 4 November 2026, Forvis Mazars declined the Company's request for a revision to its quotation, and provided to the Company its resignation letter on 5 November 2026, in which it stated that it had decided to tender its resignation as auditor of the Company after being unable to reach an agreement with the Company on the audit fee for the financial year ending 31 December 2026.

Having considered Forvis Mazars's audit fee proposal and the Group's financial discipline objectives, and following an assessment of, amongst others, ZSZH Hong Kong's independence, competence, available resources, audit approach, proposed timetable and fee structure, on 9 November 2026, the Audit Committee resolved to recommend the Proposed Change of Auditor to the Board, and the Board approved the Proposed Change of Auditor and resolved to submit it to the Shareholders for approval at the EGM. On the same date, the Company informed ZSZH Hong Kong of its selection as the proposed incoming auditor, subject to completion of ZSZH Hong Kong's internal acceptance procedures and the approval of the Proposed Change of Auditor at the EGM. ZSZH Hong Kong has commenced its internal acceptance procedures, which include independence and conflict checks and professional clearance procedures.

Despite Forvis Mazars having tendered its resignation on 5 November 2026, the Board resolved to propose a resolution for the Proposed Change of Auditor to be put forward for consideration of the Shareholders at the EGM pursuant to Rule 13.88 of the Listing Rules.

Chronology of Events Leading to the Proposed Change of Auditor

The following sets out the timeline of the significant events leading to the Proposed Change of Auditor:

Date	**Event**
30 April 2026	The Company published the 2025 AGM Circular, proposing the re-appointment of Forvis Mazars as auditor.
26 June 2026	At the AGM, the ordinary resolution to re-appoint Forvis Mazars as auditor was passed by the Shareholders by way of poll.
2 November 2026	Forvis Mazars submitted to the Company a formal quotation for the 2026 audit fee, proposing a fee of RMB1,155,000. After reviewing Forvis Mazars's fee proposal and taking into account the Group's cost control objectives, the management decided to invite other candidate auditors to submit quotations for comparison, and successively issued invitations to ZSZH Hong Kong and the Potential Auditor to submit proposals and quotations for the 2026 audit services. ZSZH Hong Kong and the Potential Auditor respectively submitted proposals and quotations to the Company.
4 November 2026	Forvis Mazars declined the Company's request for a revision to its quotation.

5 November 2026	The Company received the resignation letter from Forvis Mazars.
Between 6 and 8 November 2026	The Audit Committee further reviewed the audit proposals from ZSZH Hong Kong and the Potential Auditor and sought clarifications for evaluating the proposals.
9 November 2026	The Audit Committee held a meeting at which it evaluated in detail the audit plans, team qualifications, fee structures and timetables of ZSZH Hong Kong and the Potential Auditor, communicated in detail with ZSZH Hong Kong, and resolved to recommend that the Board approve the Proposed Change of Auditor and the Proposed Appointment of ZSZH Hong Kong as the new auditor. At the Board meeting held on the same date, the Board approved the Proposed Change of Auditor and resolved to submit it to the EGM for approval. The Company informed ZSZH Hong Kong of its selection as the proposed incoming auditor, subject to completion of ZSZH Hong Kong's internal acceptance procedures and the approval of the Proposed Change of Auditor at the EGM.

Comparison of Fee Proposals

The independent fee proposals from Forvis Mazars, ZSZH Hong Kong and the Potential Auditor are compared below:

Candidate Proposal	**Annual Audit Fee Quotation**	**Scope of Services**
Forvis Mazars (Current)	RMB1,155,000	Annual audit for the year ending 31 December 2026 and other agreed upon procedures
Potential Auditor	RMB1,050,000	Annual audit for the year ending 31 December 2026 and other agreed upon procedures
ZSZH Hong Kong	RMB1,060,000	Annual audit for the year ending 31 December 2026 and other agreed upon procedures

The Audit Committee has reviewed the audit fee proposals provided by Forvis Mazars and other professional accounting firms (including ZSZH Hong Kong). The audit fee proposal submitted by ZSZH Hong Kong is more competitive than that provided by Forvis Mazars. After careful assessment, the Audit Committee is of the view that the audit proposals submitted by Forvis Mazars and ZSZH Hong Kong are broadly comparable, and that ZSZH Hong Kong possesses the professional qualifications and experience necessary to provide audit services that meet the relevant quality standards at a competitive audit fee.

The Audit Committee has considered whether the lower fee would affect audit quality and concluded that it would not, for the following reasons:

(a) **ZSZH Hong Kong's quotation is not abnormally low**. The quotations of the three proposals range from RMB1,050,000 to RMB1,155,000. ZSZH Hong Kong's quotation is within a reasonable range, close to the quotation of the Potential Auditor (RMB1,050,000), and not substantially different from the audit fees charged by Forvis Mazars for the Company's 2024 and 2025 audits (RMB1,155,000 and RMB1,155,000 respectively).

(b) **No reduction in audit scope**. ZSZH Hong Kong's proposal provides for an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing on the same basis as the 2025 audit, with no reduction in audit scope, audit coverage or applicable auditing standards.

(c) **Fee differences arise from firm-specific commercial factors**. The differences in audit fees mainly arise from ZSZH Hong Kong's cost structure and staffing mix, and the efficiencies expected from the continued involvement of the component auditor team which is familiar with the Group's operations.

(d) **Not selected solely on the basis of the lowest fee**. The Audit Committee did not use the lowest fee as its sole selection criterion. In its assessment, the Audit Committee comprehensively considered factors including audit scope, risk assessment methodology, team qualifications and experience, independence, timetable, senior personnel involvement and understanding of the Group's business. The Audit Committee ultimately selected ZSZH Hong Kong mainly because the same component auditor team will continue to be engaged for the audit of the Group and already has an in-depth understanding of the Group's business model, financial reporting processes and internal controls, which is expected to facilitate a smooth transition. In addition, the engagement partner has around 20 years of experience auditing Hong Kong listed companies, and the engagement team's overall qualifications are the best match for the Company's size and complexity.

ASSESSMENT OF THE APPOINTMENT OF ZSZH HONG KONG AS THE NEW AUDITOR

In reaching its recommendation to the Board, the Audit Committee has conducted a comprehensive assessment of ZSZH Hong Kong in accordance with the factors set out in Section 2 of the "Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors" (the "**Effective Audit Committee Guidelines**") and in the "Guidance Notes on Change of Auditors", both issued by the Accounting and Financial Reporting Council (the "**AFRC**"). The assessment is set out below:

(i) Governance and Leadership

ZSZH Hong Kong is a registered Public Interest Entity auditor regulated by the AFRC. The firm is led by experienced partners with extensive experience in auditing Hong Kong listed companies. It has established a governance structure with clearly defined responsibilities and accountability for audit quality, supported by a system of quality management in accordance with the relevant professional standards. The firm's leadership is committed to maintaining high standards of audit quality, professional ethics and regulatory compliance.

(ii) Compliance with Relevant Ethical Requirements and Independence

The Audit Committee has obtained written confirmation from ZSZH Hong Kong regarding its independence from the Group. Based on the information obtained, the Audit Committee is not aware of any circumstances that would impair ZSZH Hong Kong's integrity, objectivity or independence in performing its duties as auditor of the Group.

The Audit Committee has also conducted its own background checks on ZSZH Hong Kong through public searches, online enquiries and a review of ZSZH Hong Kong's audit plan, and is satisfied that there are no relationships or circumstances that may impair its independence. The Company confirms that it has no business, financial, employment or family relationships with ZSZH Hong Kong or any member of its engagement team.

(iii) Industry Knowledge and Technical Competence

All core engagement team members of ZSZH Hong Kong possess extensive audit experience with Hong Kong listed companies. The proposed engagement team, together with the component auditor team which has been involved in the Group's previous audits, has a good understanding of the Group's business operations, revenue recognition policies and key financial reporting processes.

In addition, the engagement partner has around 20 years of experience in auditing Hong Kong listed companies, and the engagement team is supported by experienced professionals with relevant industry knowledge and technical expertise.

The Audit Committee has reviewed the background of the proposed audit team and is satisfied that the team possesses sufficient technical knowledge and experience (including relevant audit experience in the Group's industry) to audit the Group in accordance with applicable accounting standards and the Listing Rules.

(iv) Engagement Performance and Audit Plan

The Audit Committee has obtained and reviewed ZSZH Hong Kong's overall audit strategy for the year ending 31 December 2026, which outlines the scope, timing and direction of the audit, as well as the allocation of audit hours among the planning, execution and reporting stages, and among audit team members at various levels.

ZSZH Hong Kong has confirmed that it has sufficient personnel, expertise and resources to undertake the Group's 2026 audit services. ZSZH Hong Kong's proposed engagement team mainly includes an engagement partner with around 20 years of audit experience, an engagement quality reviewer with nearly 20 years of audit experience and a technical partner with around 40 years of audit experience, supported by a senior manager and a manager. The audit work on the Group's PRC subsidiaries will be performed by the component auditor under the direction and supervision of ZSZH Hong Kong. ZSZH Hong Kong's proposed audit team is expected to devote a total of not less than 3,000 hours to the engagement.

ZSZH Hong Kong's audit methodology adopts a risk-based audit strategy, covering risk assessment, obtaining an understanding of internal controls, designing and performing targeted audit procedures, and concluding and reporting on the audit. Key audit areas include revenue recognition, impairment assessment of property, plant and equipment and right-of-use assets attributable to gas refuelling stations and expected credit loss of trade and other receivables, which are consistent with the Group's risk profile and the nature of its principal business activities.

The Audit Committee is satisfied that ZSZH Hong Kong's proposed team structure includes sufficient professional personnel, with appropriate supervision, technical rigour and execution capabilities, to conduct a high-quality audit.

(v) Communication and Interaction with the Audit Committee

ZSZH Hong Kong has committed to maintaining continuous two-way communication with the Audit Committee and management through the following means:

1. Holding a kick-off meeting during the audit planning stage to discuss the audit scope, audit methodology, risk assessment, materiality level and timetable;

2. Holding a closing meeting during the audit completion stage to report audit findings, significant judgements, audit adjustments (if any), unresolved matters (if any) and audit conclusions before the annual results and audited financial statements are finalised; and

3. Throughout the audit process, arranging private meetings with the Audit Committee as appropriate, in the absence of management, to review key matters.

(vi) Monitoring Procedures and Practice Quality

The Audit Committee has obtained and reviewed public information on the websites of the AFRC and the Hong Kong Institute of Certified Public Accountants regarding investigations and disciplinary actions against audit firms. Based on its review of such information, the Audit Committee notes that so far as the Audit Committee is aware, there are no pending or recently concluded disciplinary investigations or sanctions concerning ZSZH Hong Kong.

ZSZH Hong Kong has established a firm-level quality management system in accordance with Hong Kong Standard on Quality Management 1, covering the risk assessment process, governance and leadership, ethical requirements, client acceptance and continuance, engagement performance, resources, information and communication, and monitoring and remediation. ZSZH Hong Kong maintains its own quality management system to ensure that the quality of its practice complies with the relevant professional standards and regulatory requirements.

Proposed Audit Timetable

The proposed audit timetable is set out as follows:

Phase	Proposed Timetable Period	Detailed Procedures
Audit Planning Phase	Upon appointment, expected early December 2026	1. Communicate with management and the Audit Committee; 2. Update the understanding of the Group's operations, key revenue streams and internal controls; 3. Identify and assess significant audit risks; 4. Understand internal control design and operation; test key control points; evaluate control effectiveness; determine the scope and nature of substantive procedures; 5. Plan and attend the year-end inventory and fixed assets counts on or around 31 December 2026.
Audit Execution Phase	Mid-January to mid-March 2027	1. Perform audit procedures in accordance with applicable auditing standards on opening balances and prior-year comparative figures; 2. Perform substantive procedures; focus on high-risk areas; 3. Provide audit instructions to component auditors, including the scope of work, identified significant risks, materiality level, reporting timelines and documentation requirements; coordinate and monitor the progress of their audit work.

Completion and Reporting	Mid-March 2027	1. Summarise audit evidence obtained; 2. Communicate with component auditors (if any) to obtain and evaluate their audit findings, review component auditor reports and working papers where necessary, resolve significant matters arising and assess the adequacy and appropriateness of audit evidence obtained for consolidation purposes; 3. Communicate audit findings to management and the Audit Committee; 4. Complete the audit and issue the auditor's report on the consolidated financial statements to be contained in the Company's annual report, and perform the procedures required under Practice Note 730 on the preliminary annual results announcement.

The Audit Committee reviewed ZSZH Hong Kong's proposed audit timetable, which allocates sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression. In assessing the reasonableness of the timetable, the Audit Committee took into account:

- the Group's year-end closing process and operational complexity;
- the sequencing of audit procedures across different business segments and locations; and
- the Listing Rules requirement for timely publication of the annual results.

ZSZH Hong Kong confirmed that sufficient and appropriate audit resources will be allocated to meet the proposed timetable. The Audit Committee is satisfied that the proposed audit strategy, audit plan and timetable are reasonable and adequate for the incoming auditor to complete all necessary audit procedures without compromising audit quality, and that ZSZH Hong Kong's committed resources are sufficient to support the audit engagement.

Conclusion of Assessment

Having considered the factors set out in Section 2 of the Effective Audit Committee Guidelines, the Audit Committee is satisfied that ZSZH Hong Kong is independent, professionally competent and capable, and is able and suitable to act as the auditor of the Company. The Board also concurs with the view of the Audit Committee.

EGM

The Board and the Audit Committee are of the view that the Proposed Change of Auditor will, while maintaining audit quality, enable the Company to carry out more effective cost control and thereby more effectively support its future business development, and is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Shareholders are recommended to vote in favour of the ordinary resolution(s) relating to the Proposed Change of Auditor at the EGM.

The EGM will be convened shortly, at which the resolutions for the Proposed Change of Auditor will be proposed for the consideration of the Shareholders. To the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in such resolutions, and therefore no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, details of the Proposed Change of Auditor, together with the notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

Hong Kong, 9 November 2026

As at the date of this announcement, the Directors are:

Executive Directors:
Mr. Ji Guang *(Chairman)*
Ms. Ji Ling *(Vice-Chairman and Chief Executive Officer)*
Mr. Zhou Feng

Independent non-executive Directors:
Mr. Sheng Yuhong
Mr. Wang Zhonghua
Mr. Chan Kai Wing