

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



XINAO GAS HOLDINGS LIMITED

新奧燃氣控股有限公司*

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

PROPOSED LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF AN INTRODUCTION

PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Company is proposing to list the Shares on the Main Board by way of an introduction. An advance booking of an application for the proposed listing has been made to the Stock Exchange on 20 February 2002. The Company has also informed the Stock Exchange of its intention to voluntarily withdraw listing of the Shares on GEM which will be conditional upon, among other things, the successful outcome of the application for the proposed listing of the Shares on the Main Board.

The Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Directors announce that on 20 February 2002, N M Rothschild & Sons (Hong Kong) Limited has, on behalf of the Company, submitted an advance booking of an application to the Stock Exchange for the proposed listing of the Shares on the Main Board by way of an introduction and informed the Stock Exchange of its intention to voluntarily withdraw listing of the Shares on GEM. However, the Directors would like to emphasise that the Introduction and the Proposed Withdrawal are at a preliminary stage and specific timing of the Introduction and the Proposed Withdrawal has not yet been finalised. There is no assurance that the Company will proceed with the Introduction and the Proposed Withdrawal.

CONDITIONS OF THE PROPOSED WITHDRAWAL

If the Company proceeds with the Introduction, the Proposed Withdrawal will be conditional upon, among other things:

- (i) the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting to approve the Proposed Withdrawal;
- (ii) the publication of a notice of the Proposed Withdrawal as required by GEM Listing Rules after the approval of the Shareholders has been obtained at the Extraordinary General Meeting; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares and any Shares which may be issued upon the exercise of options granted under the share option schemes of the Company on the Main Board.

In this regard, the Extraordinary General Meeting will be convened at an appropriate time to seek the approval of the Shareholders on the Proposed Withdrawal if the Company proceeds with the Introduction.

Warning:

There is no assurance that permission will be obtained from the Stock Exchange for the Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal is subject to certain conditions, including those set out above, being fulfilled and thus may or may not become effective. **Accordingly, the Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

GENERAL

A circular containing, among other things, further details of the Proposed Withdrawal, the expected timetable and a notice convening the Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable if the Company proceeds with the Introduction. A listing document in relation to the Introduction will also be despatched to the Shareholders for their information if the Company proceeds with the Introduction and the Listing Committee of the Stock Exchange gives a preliminary indication of the approval of the Introduction. In this regard, the Company has made an application to apply for a waiver to reduce the minimum three month's notice of the Proposed Withdrawal of listing as required under Rule 9.19(3) of the GEM Listing Rules to a minimum of five clear business days. Further announcements will be made to keep the Shareholders informed of the progress of the Introduction and the Proposed Withdrawal including, among other things, the timetable.

DEFINITIONS

- “Company” Xinao Gas Holdings Limited, an exempted company incorporated in the Cayman Islands on 20 July 2000 with limited liability, the Shares of which are listed on GEM
- “Director(s)” the director(s) of the Company

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Introduction”	the proposed listing of the Shares on the Main Board by way of an introduction pursuant to the Listing Rules
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the Shares on GEM
“Extraordinary General Meeting”	an extraordinary general meeting of the Company

By order of the board
XINAO GAS HOLDINGS LIMITED
CHENG CHAK NGOK
Company Secretary

Hong Kong, 20 February 2002

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting.

* For identification only