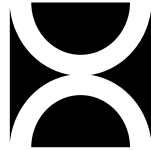


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## **XINAO GAS HOLDINGS LIMITED**

**( 新 奧 燃 氣 控 股 有 限 公 司 )**

*(incorporated in the Cayman Islands with limited liability)*

*(Website: [www.xinaogas.com](http://www.xinaogas.com))*

### **PLACEMENT OF EXISTING SHARES**

The Board announces that it has been informed by Easywin, the controlling shareholder of the Company, that it had entered into a placing arrangement with TIAA-CREF (an independent third party not connected with the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates) on 8 August 2003 pursuant to which Easywin agreed to sell to TIAA-CREF the Sale Shares, representing approximately 3% of the total issued share capital of the Company as at the date of this announcement for a cash consideration of HK\$2.73 per Sale Share.

The Board also noted today's increase in the trading volume of the Shares and wishes to state that save as the Disposal disclosed in this announcement, the Directors are not aware of any reasons for such increase.

#### **Placing of the Sale Shares by Easywin**

The Board announces that it has been informed by Easywin, the controlling shareholder of the Company, that Easywin had entered into a placing arrangement with TIAA-CREF on 8 August 2003 pursuant to which Easywin agreed to sell to TIAA-CREF the Sale Shares, representing approximately 3% of the total issued share capital of the Company as at the date of this announcement.

As at the date of this announcement, the total issued share capital of the Company is 737,000,000 Shares. The Directors have been informed by Easywin that as at the date of this announcement, Easywin beneficially holds 430,000,000 Shares, representing approximately 58.34% of the total issued share capital of the Company as at the date of this announcement. After the Disposal which is expected to complete on 12 August 2003 (being two trading days after 8 August 2003), Easywin will beneficially hold 408,000,000 Shares, representing approximately 55.36% of the total issued share capital of the Company as at the date of this announcement. As far as the Directors are aware, no new substantial shareholders of the Company will be introduced as a result of the Disposal.

#### **Consideration**

The consideration for the Sale Shares is HK\$2.73 per Sale Share, representing (i) a discount of approximately 5.04% over the closing price of HK\$2.875 per Share as quoted on the Stock Exchange on 8 August 2003, being the last trading day of the Shares prior to the publication of this announcement; and

(ii) a discount of approximately 6.67% over the average closing price of HK\$2.925 per Share as quoted on the Stock Exchange for the last five trading days up to and including 8 August 2003, being the last trading day of the Shares prior to the publication of this announcement.

## **General**

The Board also noted today's increase in the trading volume of the Shares and wishes to state that save as the Disposal disclosed herein, the Directors are not aware of any reasons for such increase.

Save for the above, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations of the Shares which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

## **Definitions**

“Board”	the board of Directors
“Company”	Xinao Gas Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the placing arrangement made between Easywin and TIAA-CREF on 8 August 2003
“Easywin”	Easywin Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 50% by Mr Wang Yusuo, the chairman of the Company and an executive Director and 50% by Ms Zhao Baoju, the spouse of Mr Wang Yusuo
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Sale Share(s)”	22,000,000 existing Shares beneficially owned by Easywin
“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
“TIAA-CREF”	TIAA-CREF Investment Management LLC, an investment fund, which is an independent third party not connected with the Directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)

“HK\$” Hong Kong dollars

“%” per cent.

By order of the Board  
**XINAO GAS HOLDINGS LIMITED**  
**CHENG Chak Ngok**  
*Executive Director and Company Secretary*

Hong Kong, 8 August 2003

*Please also refer to the published version of this announcement in  
The Standard and Hong Kong Economic Times.*