



新奥燃气控股有限公司
XinAo Gas Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2688)

(Website: www.xinaogas.com)

APPOINTMENT AND RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN MEMBER OF THE AUDIT COMMITTEE

The board of directors (the "Board") of XINAO GAS HOLDINGS LIMITED (the "Company") announces that (i) Mr. KONG Chung Kau was appointed as an independent non-executive director of the Company with effect from 31st March, 2005; (ii) Mr. XU Liang resigned as an independent non-executive director of the Company with effect from 31st March, 2005 for personal reason; (iii) Mr. XU Liang ceased to act as member of audit committee of the Company following his resignation as an independent non-executive director of the Company with effect from 31st March, 2005; and (iv) Mr. KONG Chung Kau was appointed as a member of audit committee of the Company to fill the casual vacancy occasioned by the cessation of Mr. XU Liang as a member of the audit committee of the Company with effect from 31st March, 2005. Mr. XU Liang has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation as an independent non-executive director and cessation as a member of the audit committee of the Company.

Mr. KONG, aged 36, is currently a sole proprietor of C.K. Kong & Co. Certified Public Accountants. Mr. KONG is a Certified Public Accountant holding practicing certificate. He is a fellow member of the Association of Chartered Certified Accountants and also an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. KONG has extensive experience in auditing, tax planning and finance.

Mr. KONG has entered into a service contract as independent non-executive director with the Company for a period of three years from 31st March, 2005. The appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company. The Director's fee of Mr. KONG is determined by the Board from time to time and subject to the approval of the shareholders of the Company at the annual general meeting. He will receive a director's fee of HK\$120,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's remuneration policy and the market benchmark.

In the last three years, Mr. KONG has not held any other directorships in any listed public companies and any positions with the Company or other members of the Company's group. Mr. KONG does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date hereof, he does not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance.

The Board would like to confirm that there are no other matters related to the appointment of Mr. KONG that need to be brought to the attention of the shareholders of the Company and takes this opportunity to welcome Mr. KONG to join the Board.

As at the date of this announcement, the Board comprises nine executive Directors, namely WANG Yusuo (Chairman), Mr. YANG Yu (Chief Executive Officer), Mr. CHEN Jiacheng, Mr. ZHAO Jinfeng, Mr. QIAO Limin, Mr. JIN Yongsheng, Mr. YU Jianchao, Mr. CHEUNG Yip Sang and Mr. CHENG Chak Ngok; one non-executive Director, namely Ms. ZHAO Baoju; and three independent non-executive Directors, namely Mr. WANG Guangtian, Ms. YIEN Yu Yu, Catherine and Mr. KONG Chung Kau.

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

Hong Kong, 31st March, 2005

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