

[FOR IMMEDIATE RELEASE]

**XINAO GAS APPOINTS MR. CHEN JIA CHENG AS
EXECUTIVE GENERAL MANAGER**

(Hong Kong, 13 January 2002) – Xinao Gas Holdings Limited (“Xinao Gas” or “the Group”) (Stock code: 8149), the non state-owned piped gas distributor, announced the appointment of Mr. Chen Jia Cheng as executive general manager. In this post, he will be responsible for the business administration and management of the Group’s gas projects. The appointment was effective from January 2002.

Mr. Chen Jia Cheng holds a degree in Engineering from North West Industrial University (西北工業大學), a master degree in Business Administration from Qinghua University (清華大學) and a senior engineering qualification. Prior to this appointment, he was the deputy general manager of Xinao Group Company Limited and was responsible for business administration and management. Previously, Mr. Chen served in the role of Director of assets operation management in the research center of the Airlines Industry Company (航空工業總公司) with more than 10 years experience in administrative management.

Mr. Wang Yusuo, Chairman of Xinao Gas, said, “Xinao Gas would like to express the warmest welcome to Mr. Chen Jia Cheng as he joins the Group as executive general manager. With his in-depth experience in technology management, quality management, assets operations and human resources management, the management standard and operating efficiency of the Group will be further enhanced. Looking forward, we will continue to invite the necessary expertise to join the Group and strengthen our management team, further enhancing development of the Group’s future business.”

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ABOUT XINAO GAS HOLDINGS LIMITED

Xiniao Gas is mainly engaged in the investment in, and the operation and management of, gas pipeline infrastructure and the sale and distribution of piped gas. The Group's other business activities include the sale of gas appliances and equipment, as well as the provision of repair and maintenance services. Currently, the Group has business in 15 locations within the PRC including Anhui Province, Beijing Municipality, Hebei Province, Jiangsu Province, Liaoning Province and Shandong Province.

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