

**[For Immediate Release]**

**XINAO GAS TRANSFERS TO MAIN BOARD OF THE STOCK EXCHANGE OF  
HONG KONG AND COMMENCES TRADING TODAY**

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**RECORDS FIRST DAY CLOSING PRICE OF HK\$3.375 PER SHARE  
REPRESENTS AN INCREASE OF 1.5% OVER PREVIOUS CLOSING PRICE  
ON GEM**

(Hong Kong, 3 June 2002) – Privately-owned PRC piped gas distributor, Xinao Gas Holding Limited (“Xinao Gas” or the “Group”) (stock code: 2688) today commenced trading on the Main Board of the Stock Exchange. The closing price was HK\$3.375 per share, representing a gain of 1.5% over its closing price on GEM for the previous trading day (31 May 2002). The highest price of the day reached HK\$3.425 with a total trading volume around 1.53 million shares while turnover reached approximately HK\$5.16 million. The sponsor for the introduction on the Main Board is Rothschild & Sons (Hong Kong) Limited.

Mr. Wang Yusuo, Chairman of Xinao Gas happily commented, “We are delighted with the successful transfer from GEM to the Main Board. The increase in share price and the satisfactory trading volume indicates the strong investor confidence in the prospects of the Group’s business. Since the Group began operating piped gas business in 1993, business expanded significantly. At the time of IPO on GEM in May last year, Xinao Gas’s market capitalisation was approximately HK\$700 million within 1 year, its market capitalization has increased to over HK\$2.4 billion.

Currently, the Group has gas projects in 17 locations covering a wide range of users, including residential households, industrial and commercial users. As at 31 March 2002, Xinao Gas had connected to a total of 120,625 households users and 369 industrial and commercial users.

Since its IPO in May last year, Xinao Gas has received numerous awards from various renowned international financial magazines. They include “Best Small Cap IPO in Asia” 2001 and company with “Best Financial Management in the PRC” 2002 from FinanceAsia, “The 200 Best Small Companies” Forbes Global, “2001 Top 500 Chinese Enterprises in the World” from Yazhou Zhoukan (Asia Weekly), “Overall Best Managed Company 2001” in the PRC and “Best Small Companies” in the PRC by Asiamoney. These awards not only illustrate the Group’s outstanding performance, but also the international recognition of its performance and its management capabilities.

Mr. Wang concluded, “Looking ahead, the Group will actively capture the opportunities generated from the tremendous West to East Pipelines project and continue to explore suitable new gas projects to strengthen the existing customer base. In addition, the Group will also expand to new operation locations in the vicinity of natural gas sources and into cities where the government is supporting the use of clean gas. The Group believes that the transfer of its listing to the Main Board, will attract greater attention and support from investors. At the same time, management have every confidence that it will reward shareholders and investors with better performance and ongoing development.”

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#### **About Xinao Gas Holdings Limited**

Xinao 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, the manufacture of stored value card gas metres, as well as the provision of repair and maintenance services. Currently, the Group’s business operates in 17 regions including Anhui Province, Beijing Municipality, Hebei Province, Jiangsu Province, Liaoning Province and Shandong Province. Xinao Gas was initially listed on GEM of the Stock Exchange of Hong Kong on 10 May 2001, subsequently transferring its listing status to the Main Board on 3 June 2002.

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