

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Xinao Gas Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make 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 circular.



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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND
TO REPURCHASE ITS OWN SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Xinao Gas Holdings Limited to be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 30 June 2010 at 11:00 a.m. is set out on pages 16 to 20 of this Circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

27 May 2010

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Issue Mandate	4
Buyback Mandate	4
Re-election of Retiring Directors	4
Proposed Change of Company Name	6
Annual General Meeting	7
Action to be taken	7
Voting by way of poll	7
Recommendation	8
Appendix I – Explanatory Statement	9
Appendix II – Details of Directors Proposed to be Re-elected	12
Notice of Annual General Meeting	16

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 30 June 2010 at 11:00 a.m.
“Articles of Association”	the articles of association of the Company, as originally adopted or as from time to time altered in accordance with the Companies Law (Chapter 22) of the Cayman Islands or any applicable laws
“Board”	the board of Directors
“Buyback Mandate”	the general mandate authorising the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Buyback Mandate
“Change of Company Name”	the proposed change of the English name of the Company from “XinAo Gas Holdings Limited” to “ENN Energy Holdings Limited” and the Chinese name from “新奧燃氣控股有限公司” to “新奧能源控股有限公司”
“Company”	XinAo Gas Holdings Limited, an exempted company incorporated in the Cayman Islands on 20 July 2000 with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate authorising the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate

DEFINITIONS

“Latest Practicable Date”	20 May 2010, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“XGII”	Xinao Group International Investment Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



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)

Executive Directors:

Mr. WANG Yusuo (*Chairman*)
Mr. CHEUNG Yip Sang (*Chief Executive Officer*)
Mr. ZHAO Jinfeng
Mr. YU Jianchao
Mr. CHENG Chak Ngok
Mr. LIANG Zhiwei
Ms. ZHAI Xiaoqin

Non-executive Directors:

Ms. ZHAO Baoju
Mr. JIN Yongsheng

Independent Non-executive Directors:

Mr. WANG Guangtian
Ms. YIEN Yu Yu, Catherine
Mr. KONG Chung Kau

Registered Office:

Ugland House
P O Box 309
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

*Principal place of business in
Hong Kong:*

Rooms 3101-03, 31st Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

Head office in the PRC:

Huaxiang Road
Langfang Economic and
Technical Development Zone
Langfang City
Hebei Province
The PRC

27 May 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND
TO REPURCHASE ITS OWN SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the proposed renewal of the general mandates to allot, issue and deal with Shares and to repurchase its own Shares, (ii) the proposed re-election of retiring Directors and (iii) the proposed Change of Company Name, and to seek your approval of the relevant ordinary resolutions relating to (i) and (ii) and the special resolution relating to (iii) at the Annual General Meeting.

LETTER FROM THE BOARD

ISSUE MANDATE

On 26 May 2009, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to renew such general mandate at the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors the Issue Mandate, and authorise the extension of the Issue Mandate, details of which are set out in ordinary resolutions numbered 5A and 5C respectively in the notice of Annual General Meeting.

Subject to the passing of the ordinary resolution granting the Issue Mandate to issue new Shares and on the basis that no further Shares are issued or repurchased prior the Annual General Meeting, the Company would be allowed under such Issue Mandate to issue a maximum of 210,029,879 Shares representing 20% of the issued share capital of the Company as at the date of the passing of the ordinary resolution approving the Issue Mandate.

BUYBACK MANDATE

Also on 26 May 2009, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting of the Company. It is therefore proposed to renew such general mandate at the Annual General Meeting.

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors the Buyback Mandate, details of which are set out in ordinary resolution numbered 5B in the notice of Annual General Meeting. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Shares which may be repurchased pursuant to the Buyback Mandate are limited to a maximum of 105,014,939 Shares representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution approving the Buyback Mandate.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Buyback Mandate, is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. WANG Yusuo, Mr. CHEUNG Yip Sang, Mr. ZHAO Jinfeng, Mr. YU Jianchao, Mr. CHENG Chak Ngok, Mr. LIANG Zhiwei and Ms. ZHAI Xiaoqin; and non-executive Directors were Ms. ZHAO Baoju and Mr. JIN Yongsheng; and the independent non-executive Directors were Mr. WANG Guangtian, Ms. YIEN Yu Yu, Catherine and Mr. KONG Chung Kau.

LETTER FROM THE BOARD

Pursuant to Article 116 of the Articles of Association, Mr. CHEUNG Yip Sang, Ms. ZHAO Baoju, Mr. JIN Yongsheng and Mr. WANG Guangtian shall retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

Pursuant to Recommended Best Practice A.4.3 of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, it is recommended that if an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders, and the Board should set out to shareholders in the papers accompanying a resolution to elect such an independent non-executive director the reasons they believe that the individual continues to be independent and why he should be re-elected.

Mr. WANG Guangtian was appointed as an independent non-executive Director (“INED”) of the Company on 4 December 2000. He has served the Company for more than 9 years as of the Latest Practicable Date and will retire by rotation at the Annual General Meeting. The Board intends to further appoint Mr. WANG Guangtian as an INED. During his tenure of office over the past 9 years, Mr. WANG Guangtian has been able to fulfill all the requirements regarding independence of an INED and provide annual confirmation of independence to the Company under Rule 3.13 of the Listing Rules. To the best knowledge of the Directors, as of the Latest Practicable Date, the Company is not aware of any foreseeable events that may occur and affect the independence of Mr. WANG Guangtian in the near future. Hence, the Board believes that Mr. WANG Guangtian is and will continue to be independent of the Company unless unexpected circumstances arise in the future. The Company will continue to review the independence of Mr. WANG Guangtian annually and take all appropriate measures to ensure compliance of relevant provisions regarding independence of INED in the Listing Rules.

On the other hand, during his tenure of office, Mr. WANG Guangtian had discharged his duties as an INED to the satisfaction of the Board. Through exercising the scrutinising and monitoring function of an INED, he had contributed to an upright and efficient board of directors for the interest of Shareholders. In view of the above, the Board considers that the re-election of Mr. WANG Guangtian as an INED is beneficial to the Board, the Company and the Shareholders as a whole.

An ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. WANG Guangtian as an INED of the Company.

LETTER FROM THE BOARD

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “XinAo Gas Holdings Limited” to “ENN Energy Holdings Limited” and the Chinese name from “新奧燃氣控股有限公司” to “新奧能源控股有限公司”.

Reasons for the Change of Company Name

Since its listing in Hong Kong in 2001, the Company has already undergone about 10 years’ development. It has established an extensive customer base in the area of natural gas utilisation by providing clean and safe supply of energy to its customers over the years, and has received wide recognition from the customers. Following the continuous enlargement of customer base and the consistent exploration of customer needs by the Company, it is found that, in addition to natural gas which is safe and clean, customers have greater and more diversified demands on other kinds of energy nowadays, including solar energy, bioenergy, dimethyl ether (replacing liquefied petroleum gas and diesel) and coal gas. In their production process and daily lives, customers need more than the supply of a single type of energy. In other words, they need the kinds of energy that have greater comprehensive benefits. Particularly, given the economic situation in these two years and the strict implementation of environmental protection policies as well as the requirement on reduction in emission in recent years, many customers, especially those from commercial/industrial sectors or parks/zones are pursuing comprehensive energy management services. Based on the above, through further enhancing development strategy and innovating business model, the Company is now providing diversified energy supply and energy management services to the customers in addition to the original supply of natural gas, in order to help our customers to lower energy consumption costs, use the energy more efficiently and further reduce pollution. Since the existing company name can no longer illustrate the new business model, the Company proposes to change its company name in order to cover the existing areas of business and illustrate the new business model more accurately. On the other hand, being the short form of “Ennovation” which is a combination of “Energy + Innovation”, the word “ENN” represents innovative energy, and that is not only the direction for the future development of the global energy sector but also the development strategy of the Company. As such, the Board considers that the new company name is more suitable for demonstrating the Company’s vision, strategy and the exact areas of business, and can therefore benefit the Group’s future business development and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Change of Company Name

The Change of Company Name is subject to:

- (a) approval by the Shareholders by way of a special resolution at the Annual General Meeting; and
- (b) approval by the Registrar of Companies in the Cayman Islands.

LETTER FROM THE BOARD

The Company will carry out all necessary filing procedures with the Registrar of Companies in the Cayman Islands and the Companies Registry of Hong Kong to effect the Change of Company Name once it is approved by the Shareholders at the Annual General Meeting.

Effect of the Change of Company Name

The Change of Company Name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the existing English and Chinese names of the Company will, after the Change of Company Name becoming effective, continue to be evidence of title to the Shares of the Company and will be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for the exchange of existing share certificates for new share certificates bearing the new English and Chinese names of the Company. Once the Change of Company Name becomes effective, any issue of share certificates will be under the new English and Chinese names of the Company.

A further announcement will be made by the Company to inform the Shareholders of the effective date of the Change of Company Name and the change of the stock short name of the Company on the Stock Exchange.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out in pages 16 to 20 of this circular to consider the ordinary resolutions relating to, among others, the Issue Mandate, the Buyback Mandate, the extension of the Issue Mandate and the re-election of retiring Directors, and the special resolution relating to the Change of Company Name.

ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying proxy form and return it to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so desire.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Buyback Mandate, the extension of the Issue Mandate, the re-election of retiring Directors and the Change of Company Name are all in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant ordinary resolutions and the relevant special resolution to be proposed at the Annual General Meeting.

By order of the Board
XINAO GAS HOLDINGS LIMITED
WANG Yusuo
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with requisite information for your consideration of the Buyback Mandate.

1. EXERCISE OF THE BUYBACK MANDATE

Exercise in full of the Buyback Mandate, on the basis of 1,050,149,397 Shares in issue at the Latest Practicable Date could result in up to 105,014,939 Shares being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Buyback Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a Share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2009 annual report of the Company) in the event that the Buyback Mandate is exercised in full. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules, the memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates (as defined in the Listing Rules), have any present intention, if the Buyback Mandate is exercised, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. WANG Yusuo and Ms. ZHAO Baoju (the spouse of Mr. WANG Yusuo), directors of the Company, together with XGII (a company which is beneficially owned as to 50% by Mr. WANG Yusuo and 50% by Ms. ZHAO Baoju) were beneficially interested in an aggregate of 333,451,000 Shares, representing approximately 31.75% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercised in full the power to repurchase Shares under the Buyback Mandate, the shareholdings of Mr. WANG Yusuo and Ms. ZHAO Baoju together with XGII would be increased to approximately 35.28% of the issued share capital of the Company. Then, Mr. WANG Yusuo and Ms. ZHAO Baoju together with XGII could be required under Rule 26 of the Takeovers Code to make a mandatory offer in respect of all the issued shares of the Company by reason of such increase.

Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Buyback Mandate. The Directors will use their best endeavours to ensure that the Buyback Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25 per cent. of the issued share capital of the Company. The Directors have no intention to exercise the Buyback Mandate which may result in possible mandatory offer being made under the Takeovers Code.

5. SHARE PURCHASED BY THE COMPANY

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

6. SHARE PRICES

The table below is a summary of the monthly highest and lowest traded prices in each of the previous twelve months prior to the Latest Practicable Date and for the month of May 2010 up to the Latest Practicable Date:

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2009		
May	13.80	9.88
June	14.00	11.30
July	13.60	11.92
August	13.38	11.08
September	16.26	12.06
October	19.02	14.70
November	20.04	16.20
December	21.00	18.40
2010		
January	22.60	18.10
February	19.50	16.54
March	20.20	18.06
April	25.80	19.68
May (up to Latest Practicable Date)	24.60	20.05

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting:

MR. CHEUNG YIP SANG

Mr. CHEUNG Yip Sang, aged 43, is an Executive Director and the Chief Executive Officer of the Company responsible for the daily operation and management and the business expansion of the Group. Mr. CHEUNG joined the Group in 1998, and he holds various directorships in 34 principal subsidiaries and 18 jointly-controlled entities/associates of the Group. He graduated from The Chinese People's Armed Police Force Academy in 1990 with a bachelor's degree in Legal Studies and received an executive master's degree in business administration from the Peking University in 2006. Mr. Cheung has extensive experience in corporate governance and the market integration in the public utilities sector. He also has wide exposure in the research and development of the gas industry.

Save as disclosed above, Mr. CHEUNG has not held any other positions with any members of the Group and in the last three years, he had not held any other directorships in any listed public companies.

Mr. CHEUNG has entered into a service agreement with the Company for an initial term commencing 10 April 2006 and expiring on 29 February 2008, and the service agreement shall continue thereafter unless and until terminated by either party giving to the other not less than six months' prior written notice. 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.

Mr. CHEUNG does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. CHEUNG did not have any interests in the Shares within the meaning of Part XV of the SFO.

The remunerations of executive Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. CHEUNG is entitled to an annual remuneration of RMB1,885,000 for the year ended 31 December 2009.

Save as disclosed above, Mr. CHEUNG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

MS. ZHAO BAOJU

Ms. ZHAO Baoju, aged 44, is a cofounder and a non-executive Director of the Company. She has over 17 years of experience in investing in gas fuel projects in the PRC. She graduated from the Hebei Medical College Professional Nursing School in 1987 and the Chinese Language Faculty of Capital Normal University in 1998.

Ms. ZHAO holds directorship in one principal subsidiary of the Group. She was also previously a non-executive director of Enric Energy Equipment Holdings Limited (now known as CIMC Enric Holdings Limited (stock code: 3899)), but had resigned from such position with effect from 15 October 2007. Save as disclosed above, Ms. ZHAO has not held any other positions with any members of the Group and in the last three years, he had not held any other directorships in any listed public companies.

Ms. ZHAO was re-appointed by the Company for a term of three years commencing 1 March 2004, and the appointment shall continue thereafter unless and until terminated by either party giving to the other not less than six months' prior written notice. 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.

Ms. ZHAO is a director and a controlling shareholder of XGII, which is a controlling shareholder of the Company. She is the spouse of Mr. Wang Yusuo and the sister of Mr. ZHAO Jinfeng, the Executive Director of the Company. Save as disclosed above, Ms. ZHAO does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, save for the interest of spouse in 176,000 Shares and, together with spouse, 100% interest in XGII which holds 333,275,000 Shares, Ms. ZHAO did not have any other interests in the Shares within the meaning of Part XV of the SFO.

The remunerations of non-executive Directors are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions. Ms. ZHAO is entitled to an annual remuneration of RMB132,000 for the year ended 31 December 2009.

Save as disclosed above, Ms. ZHAO has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

MR. JIN YONGSHENG

Mr. JIN Yongsheng, aged 46, is a non-executive Director appointed by the Company in 2006. He graduated from the Tianjin University of Finance and Economics in 1986, specializing in finance. Prior to joining the Group in 1996, he was an assistant professor in the Township and Village Enterprise Cadre College of the Ministry of Agriculture, and has obtained an executive master's degree in business administration from the Peking University in 2005. Mr. Jin is a qualified practicing lawyer in the PRC and has over 20 years of experience in legal practice.

Mr. JIN holds various directorships in 48 principal subsidiaries of the Group. He was previously the chief executive officer and an executive director of Enric Energy Equipment Holdings Limited (now known as CIMC Enric Holdings Limited (stock code: 3899)), but had ceased to be the chief executive officer and had been re-designated to a non-executive director of such company both with effect from 30 September 2009. Save as disclosed above, Mr. JIN has not held any other positions with any members of the Group and in the last three years, he had not held any other directorships in any listed public companies.

Mr. JIN was re-appointed by the Company for a term of three years commencing 1 March 2010, and the appointment shall continue thereafter unless and until terminated by either party giving to the other not less than six months' prior written notice. 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.

Mr. JIN is a director of XGII, which is a controlling shareholder of the Company. Save as disclosed above, Mr. JIN does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. JIN did not have any interests in the Shares within the meaning of Part XV of the SFO.

The remunerations of non-executive Directors are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions. Mr. JIN is entitled to an annual remuneration of RMB132,000 for the year ended 31 December 2009.

Save as disclosed above, Mr. JIN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.

MR. WANG GUANGTIAN

Mr. WANG Guangtian, aged 46, is an independent non-executive Director appointed by the Company in 2001. He is also member of the Audit Committee and the Remuneration Committee of the Company. He holds a master's degree in world economics from the Hebei University and has over 27 years of experience in financial and administrative management. He is currently a vice president of Guofu Group and a director and the general manager of Guofu (Hong Kong) Holdings Limited.

Mr. WANG has been appointed as an independent non-executive director of China Oil And Gas Group Limited (stock code: 603) on 4 November 2009. Save as disclosed above, Mr. WANG has not held any other positions with any members of the Group and in the last three years, he had not held any other directorships in any listed public companies.

Mr. WANG was re-appointed by the Company for a term of three years commencing 1 March 2010, and the appointment shall continue thereafter unless and until terminated by either party giving to the other not less than six months' prior written notice. 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.

Mr. WANG does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. WANG did not have any interests in the Shares within the meaning of Part XV of the SFO.

The remunerations of independent non-executive Directors are determined by reference to the remuneration benchmark in the industry and the prevailing market conditions. Mr. WANG is entitled to an annual remuneration of RMB132,000 for the year ended 31 December 2009.

Save as disclosed above, Mr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to rules 13.51(2)(h) to (v) of the Listing Rules.



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the "Meeting") of XinAo Gas Holdings Limited (the "Company") will be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 30 June 2010 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the directors' and independent auditor's reports for the year ended 31 December 2009;
2. To declare a final dividend;
3. To re-elect retiring directors and to authorise the board of directors to fix the directors' fees;
4. To re-appoint the auditors and to authorise the board of directors to fix their remuneration; and
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time; or (iii) an issue of shares upon the exercise of options which may be granted under any option scheme or similar arrangement for the time being adopted or to adopt for the grant or issue to any officers, employees and/or directors of the Company and/or any of its subsidiaries and/or any other participants of such scheme or arrangement of shares or rights to acquire shares; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the aggregate nominal value of share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of shareholders of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of shares in the capital of the Company repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall in the case of shares not exceed 10 per cent. of the aggregate nominal value of share capital of the Company in issue as at the date of passing of this Resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution.”
- C. “**THAT** conditional upon Resolutions numbered 5A and 5B set out in the notice of this meeting being passed, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with any unissued shares pursuant to Resolution numbered 5A set out in the notice of this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution numbered 5B set out in the notice of this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal value of share capital of the Company in issue as at the date of passing of the said Resolution.”
6. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands, the English name of the Company be changed from “XinAo Gas Holdings Limited” to “ENN Energy Holdings Limited” and the Chinese name from “新奧燃氣控股有限公司” to “新奧能源控股有限公司”, and **THAT** the directors of the Company be and are hereby authorised to do all such acts and things and execute all documents they consider necessary or expedient to effect such change of English and Chinese names.”

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

Hong Kong, 27 May 2010

Principal place of business in Hong Kong:
Rooms 3101-03, 31st Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Every shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting at the Meeting if the shareholder of the Company so desires.
4. Where there are joint registered holders of any share in the Company, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.
5. For the purpose of determining the entitlements to the proposed final dividend and the identity of shareholders of the Company who are entitled to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 24 June 2010 to Wednesday, 30 June 2010, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers of shares in the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 23 June 2010.
6. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, all votes of shareholders at the meeting will be taken by poll.
7. With regard to item no.3 of this notice, the board of directors of the Company proposes that the retiring directors of the Company, namely Mr. CHEUNG Yip Sang, Ms. ZHAO Baoju, Mr. JIN Yongsheng and Mr. WANG Guangtian be re-elected as directors of the Company. Particulars of the said retiring directors are set out in Appendix II to the circular to the shareholders of the Company dated 27 May 2010.
8. With regard to the resolutions referred to in items 5A, 5B, 5C and 6 of this notice, the board of directors of the Company proposes to seek its shareholders' approval of the general mandates to issue shares in the Company and to repurchase shares in the Company and the change of the English and Chinese names of the Company, and a circular in connection with such proposals will be despatched to the shareholders of the Company.
9. As at the date of this notice, the board of directors of the Company comprises seven executive directors, namely Mr. WANG Yusuo (Chairman), Mr. CHEUNG Yip Sang (Chief Executive Officer), Mr. ZHAO Jinfeng, Mr. YU Jianchao, Mr. CHENG Chak Ngok, Mr. LIANG Zhiwei and Ms. ZHAI Xiaoqin; two non-executive directors, namely Ms. ZHAO Baoju and Mr. JIN Yongsheng; and three independent non-executive directors, namely Mr. WANG Guangtian, Ms. YIEN Yu Yu, Catherine and Mr. KONG Chung Kau.