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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)

ANNOUNCEMENT

GRANT OF SHARE OPTIONS

The Board announces that on 14 June 2010, the Company granted Share Options to Grantees to subscribe for a total of 33,490,000 Shares under the Share Option Scheme adopted by the Company on 21 May 2002, subject to acceptance by the Grantees.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (“**Director(s)**”) of XinAo Gas Holdings Limited (the “**Company**”) announces that on 14 June 2010, the Company granted a total of 33,490,000 share options (the “**Share Options**”) to the Directors and certain employees of the Company (collectively, the “**Grantees**”) to subscribe for a total of 33,490,000 ordinary shares of HK\$0.1 each in the share capital of the Company (the “**Share(s)**”) under the share option scheme adopted by the Company on 21 May 2002, subject to acceptance by the Grantees. Details of the Share Options granted are as follows:

Date of grant : 14 June 2010 (the “**Date of Grant**”)

Exercise price of Share Options : HK\$16.26 per Share, which represents the highest of (i) the closing price of HK\$16.26 per Share as stated in the daily quotations sheet of the Stock Exchange on 14 June 2010, being the Date of Grant; (ii) the average closing price of HK\$15.04 per Share as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii)

the nominal value of the Share.

Number of Share Options : 33,490,000
granted

Number of Shares to be : 33,490,000
issued upon exercise of the
Share Options in full

Closing market price of the : HK\$16.26 per Share
Shares on the Date of Grant

Validity period of the Share : The Share Options shall be exercisable during the
Options period of 10 years from 14 June 2010 to 13 June
2020 subject to the following vesting scale:

- (i) up to 50% of the Share Options granted to each Grantee shall be exercisable at any time after the expiry of 6 months from the Date of Grant up to 24 months from the Date of Grant; and
- (ii) up to 100% of the Share Options granted to each Grantee shall be exercisable at any time after the expiry of 24 months from the Date of Grant up to 10 years from the Date of Grant.

Among the Share Options granted above, 14,810,000 Share Options were granted to the Directors to subscribe for a total of 14,810,000 Shares, details of which are as follows:

Name of Director	Position(s) held with the Company	Number of Share Options granted
Mr. Wang Yusuo (<i>Note 1</i>)	Executive Director and Chairman	800,000
Mr. Cheung Yip Sang	Executive Director and Chief Executive Officer	3,900,000
Mr. Zhao Jinfeng	Executive Director	2,360,000
Mr. Yu Jianchao	Executive Director	3,600,000
Mr. Cheng Chak Ngok	Executive Director, Financial Controller and Company Secretary	450,000
Mr. Liang Zhiwei	Executive Director	1,250,000
Ms. Zhai Xiaoqin	Executive Director	1,250,000

Ms. Zhao Baoju (<i>Note 2</i>)	Non-executive Director	200,000
Mr. Jin Yongsheng	Non-executive Director	400,000
Mr. Wang Guangtian	Independent Non-executive Director	200,000
Ms. Yien Yu Yu, Catherine	Independent Non-executive Director	200,000
Mr. Kong Chung Kau	Independent Non-executive Director	200,000

Notes:

- (1) *Mr. Wang Yusuo is a substantial shareholder of the Company.*
(2) *Ms. Zhao Baoju, spouse of Mr. Wang Yusuo, is a substantial shareholder of the Company.*

The grant of the Share Options was approved by the independent non-executive Directors of the Company and the grant of the Share Options to each independent non-executive Director was approved by the other independent non-executive Directors on 14 June 2010.

Save as disclosed in this announcement, none of the Grantees is a director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them.

By order of the Board
XinAo Gas Holdings Limited
CHENG Chak Ngok
Executive Director and Company Secretary

Hong Kong, 14 June 2010

As at the date of this announcement, the Board comprises the following Directors:

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