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XINAO GAS HOLDINGS LIMITED

(新奧燃氣控股有限公司*)

(incorporated in the Cayman Islands with limited liability)

NOTICE OF LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares	:	180,000,000 Shares (subject to Over-allotment Option)
Placing Price	:	HK\$1.15 per Share
Nominal value	:	HK\$0.10 each
Stock code	:	8149

Sponsor



N M ROTHSCHILD & SONS

Global Co-ordinator, Lead Manager and Bookrunner



Co-lead Manager

CLSA Emerging Markets

Co-Managers

The Bank of East Asia, Limited
Guotai Junan Securities (Hong Kong) Limited
Sun Hung Kai International Limited

DBS Asia Capital Limited
Kingsway SW Securities Limited
Tai Fook Securities Company Limited

SUMMARY

- The Placing Price was determined at HK\$1.15 per Share.
- The 180,000,000 Shares initially available under the Placing were approximately 5 times subscribed. As a result, an aggregate of 207,000,000 Shares (including 180,000,000 Shares initially available under the Placing and 27,000,000 Shares to satisfy over-allocations) have been conditionally allocated in full to professional, institutional and other investors.
- The Company had granted to the Underwriters the Over-allotment Option, which is exercisable by ICEA (on behalf of the Underwriters), at any time and from time to time during the period of 30 days from 27 April 2001, to require the Company to allot and issue at the Placing Price of up to an aggregate of 27,000,000 additional Shares (representing 15% of the Shares initially available under the Placing).
- In order to satisfy the over-allocation of 27,000,000 Shares, ICEA has borrowed Shares from Easywin under stock borrowing arrangements pending exercise of the Over-Allotment Option, or acquire sufficient number of Shares from other sources (including making open market purchases in the secondary market). Up to the date of this announcement, the Over-allotment Option has not been exercised. If the Over-allotment Option is exercised, an announcement will be made on the GEM website.
- Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Thursday, 10 May 2001.

Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the prospectus of Xinao Gas Holdings Limited (the “Company”) dated 27 April 2001 (the “Prospectus”).

PLACING PRICE

The Placing Price was determined at HK\$1.15 per Share.

LEVEL OF INTEREST

The 180,000,000 Shares initially available under the Placing were approximately 5 times subscribed. As a result, an aggregate of 207,000,000 Shares (including 180,000,000 Shares initially available under the Placing and 27,000,000 Shares to satisfy over-allocations) have been conditionally allocated in full to professional, institutional and other investors. All the placees are independent of and not connected with any of the Directors, chief executives, management Shareholders or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates

970,000 Shares have been placed to ICEA Asset Management Limited, an affiliate of ICEA (the Global Co-ordinator), representing approximately 0.54% of the total number of Shares initially available under the Placing and 0.16% of the enlarged issued share capital of the Company immediately following the completion of the Placing (but before exercise of the Over-allotment Option). 380,000 Shares have been placed to and held under the name of The Bank of East Asia, Limited, one of the Underwriters, representing approximately 0.21% of the total number of Shares initially available under the Placing and 0.06% of the enlarged issued share capital of the Company immediately following the completion of the Placing (but before exercise of the Over-allotment Option). Save as mentioned above, none of the Placing Shares have been allocated to any party or group of persons as specified under Rule 10.12(4) of the GEM Listing Rules.

Out of the 207,000,000 Shares placed, a total of 100,500,000 Shares, representing approximately 48.55% of the Shares placed and 16.75% of the enlarged issued share capital of the Company immediately following the completion of the Placing (but before exercise of the Over-allotment Option), have been placed to the ten largest placees. Out of the 207,000,000 Shares placed, a total of 14,000,000 Shares, representing approximately 6.76% of the Shares placed and 2.33% of the enlarged issued share capital of the Company immediately following the completion of the Placing (but before exercise of the Over-allotment Option), have been placed to the largest placee.

RESULTS OF ALLOCATIONS

Pursuant to the Placing, the 207,000,000 Shares have been conditionally allocated to a total of 273 placees as follows:

Number of Placing Shares	Number of placees
10,000 to 90,000	160
100,000 to 190,000	18
200,000 to 400,000	29
500,000 to 800,000	15
1,000,000 to 4,500,000	39
5,000,000 to 8,000,000	4
10,000,000 to 14,000,000	8
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Total:	<u>273</u>

MINIMUM PUBLIC FLOAT REQUIREMENT

According to the GEM Listing Rules, the Company is required to maintain a public float of not less than 20% of its share capital in issue from time to time. Immediately following the completion of the Placing (but before exercise of the Over-allotment Option), the Company will have a public float of 30% of its enlarged issued share capital. If the Over-allotment Option is exercised in full, the Company will have a public float of approximately 33% of its enlarged issued share capital.

DEPOSIT OF SHARE CERTIFICATE INTO CCASS

The share certificates in respect of the Placing Shares will be issued in the name of HKSCC Nominees Limited and deposited into CCASS on 9 May 2001.

OVER-ALLOTMENT OPTION

The Company has granted to the Underwriters the Over-allotment Option, which is exercisable by ICEA (on behalf of the Underwriters) at any time and from time to time during the period of 30 days from 27 April 2001, to require the Company to allot and issue at the Placing Price of up to an aggregate of 27,000,000 additional Shares (representing 15% of the Shares initially available under the Placing) to cover over-allocations in the Placing.

In order to satisfy the over-allocation of 27,000,000 Shares, ICEA has borrowed Shares from Easywin under stock borrowing arrangements pending exercise of the Over-Allotment Option, or acquire sufficient number of Shares from other sources (including making open market purchases in the secondary market). Up to the date of this announcement, the Over-allotment Option has not been exercised. If the Over-allotment Option is exercised, an announcement will be made on the GEM website.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Thursday, 10 May 2001.

By order of the board
XINAO GAS HOLDINGS LIMITED
Wang Yusuo
Chairman

Hong Kong, 8 May 2001

This announcement for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM Website at <http://www.hkgem.com>.

* *For identification only*