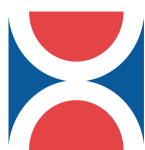


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not an offer of securities for sale in the United States. The Placing Shares and Subscription Shares may not be offered or sold in the United States absent registration or an exemption from registration, and if any public offering of the Placing Shares or Subscription Shares is made in the United States, such offer will be made by means of a prospectus that may be obtained from the Company or the selling security holder and that will contain detailed information about the Company and its management, as well as financial statements.



XINAO GAS HOLDINGS LIMITED

(新 奧 燃 氣 控 股 有 限 公 司) *

(incorporated in the Cayman Islands with limited liability)

COMPLETION OF PLACING OF 110,000,000 EXISTING SHARES

SUMMARY

Reference is made to the announcement of the Company dated 12 March 2002.

ABN AMRO Rothschild has successfully placed a total of 110,000,000 existing Shares on behalf of Easywin to 96 places independent from the Directors, chief executives or substantial shareholders or management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules). The Placing was completed on 15 March 2002.

Reference is made to the announcement of the Company dated 12 March 2002. Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the announcement the Company dated 12 March 2002.

The board of Directors (the "Board") is pleased to announce that ABN AMRO Rothschild has successfully placed a total of 110,000,000 existing Shares on behalf of Easywin to 96 places. The Option was not exercised and has thus lapsed. The Placing was completed on 15 March 2002. The Placing Shares represent approximately 17.5% of the existing issued share capital of the Company or approximately 14.9% of the issued share capital of the Company as enlarged by the Subscription.

An aggregate of 13,968,000 Shares have been placed to ABN AMRO Asset Management (Asia) Limited, ABN AMRO Bank N.V. and Selective Investment Holdings Limited, all being connected clients of ABN AMRO Rothschild, representing approximately 12.7% of the Placing Shares and 2.2% of the issued share capital of the Company immediately following completion of the Placing.

Save for the above and to the knowledge of the Board and ABN AMRO Rothschild, the placees are independent from the Directors, chief executives or substantial shareholders or management shareholders of the Group or any of their respective associates (as defined in the GEM Listing Rules), and that none of the placees fall under any of the categories set out in Note 1 to Rule 10.12 (4) of the GEM Listing Rules.

The shareholding interests in the Company held by the 10 largest placees of the Placing Shares immediately following completion of the Placing and the Subscription are as follows:

Top ten largest placees	Percentage of the Placing Shares	Percentage of the issued share capital of the Company immediately after completion of the Placing	Percentage of the issued share capital of the Company Immediately after completion of the Placing and the Subscription
1	13.07%	2.29%	1.95%
2	10.16%	1.78%	1.52%
3	9.30%	1.63%	1.39%
4	5.83%	1.02%	0.87%
5	5.56%	0.98%	0.83%
6	4.66%	0.82%	0.70%
7	4.65%	0.82%	0.69%
8	3.16%	0.55%	0.47%
9	3.10%	0.54%	0.46%
10	2.41%	0.42%	0.36%
Total	<u>61.90%</u>	<u>10.85%</u>	<u>9.24%</u>

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

By order of the board
XINAO GAS HOLDINGS LIMITED
CHENG Chak Ngok
Company Secretary

Hong Kong, 20 March 2002

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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: (a) the information contained in this announcement is accurate and complete in all material respects and not misleading; (b) there are no other matters the omission of which would make any statement in this announcement misleading; and (c) 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> on the “Latest Company Announcements” page for at least seven days from the date of its posting.

** For identification only*