



# 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](http://www.xinaogas.com) )*

## ANNOUNCEMENT CHANGE OF CHIEF EXECUTIVE OFFICER AND CHANGE IN DIRECTORSHIPS

The Board announces that:

- (1) Mr. Yang Yu has resigned as the Chief Executive Officer and Executive Director of the Company with effect from 18 November 2008;
- (2) Mr. Qiao Limin has resigned as the Executive Director of the Company with effect from 18 November 2008;
- (3) Mr. Liang Zhiwei and Ms. Zhai Xiaoqin have been appointed as the Executive Directors of the Company with effect from 18 November 2008 to fill the vacancies occasioned by the resignations of Mr. Yang Yu and Mr. Qiao Limin; and
- (4) Mr. Chen Jiacheng has been appointed as the new Chief Executive Officer of the Company with effect from 18 November 2008 to fill the vacancy occasioned by the resignation of Mr. Yang Yu as the Chief Executive Officer of the Company.

### RESIGNATIONS OF CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS

The Board of Directors (the “Board”) of XinAo Gas Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) hereby announces that,

with effect from 18 November 2008, Mr. Yang Yu and Mr. Qiao Limin have resigned as the Executive Directors of the Company, and Mr. Yang has also resigned as the Chief Executive Officer of the Company. Following their resignations, Mr. Yang and Mr. Qiao will remain in office in 新奧集團股份有限公司 (Xinao Group Company Limited\*, the “Xinao Group”, a joint stock limited company incorporated in the People’s Republic of China which is also controlled by Mr. Wang Yusuo and his spouse, Ms. Zhao Baoju, both being the controlling shareholders of the Company). The change was made in view of the success and development achieved by the Company in the past few years which enables the Company to attain a stable growth stage. In this regard, professionals specialised in risk management and strategic performance management joining the Board will enhance the internal control and level of supervision exercised by the Board on the Group.

The industry chain of coal-based clean energy of the Xinao Group is so well developed that it has already grown into a massive scale. It has also provided solid support to the Group on energy saving and emission reduction project and the production of clean energy. Internationally renowned consultancy companies, namely The Boston Consulting Group and IBM Global Services (China) Company Limited, have designed and provided useful recommendations for the Xinao Group on optimising its corporate governance structure based on its future development strategies. In light of the above, Mr. Yang will focus on his duties as the Chief Executive Officer of the Xinao Group in order to oversee the operation of all upstream and downstream companies within the Xinao Group while Mr. Qiao will be responsible for the coal mines construction and production business of the Xinao Group. The above re-designations and change will not only be beneficial to the advancement on corporate governance of both the Company and the Xinao Group, but also advantageous to the development of all entities under the Group and the Xinao Group.

Mr. Yang and Mr. Qiao confirms that, in relation to their resignations, neither are there any disagreement with the Board nor any other matters that need to be brought to the attention of the shareholders of the Company.

## **APPOINTMENT OF EXECUTIVE DIRECTORS**

The Board is pleased to announce that, with effect from 18 November 2008, Mr. Liang Zhiwei and Ms. Zhai Xiaoqin have been appointed as the Executive Directors

of the Company to fill the vacancies occasioned by the resignations of Mr. Yang and Mr. Qiao.

**Mr. LIANG Zhiwei**, aged 45, is the Director of Strategic Performance Management of the Company responsible for the management and execution of the Company's internal strategies and performance appraisal. He graduated from Guilin Institute of Metallurgy and the Faculty of Resource and Environmental Engineering at the University of Science and Technology Beijing. He obtained a master of engineering degree from the University of Science and Technology Beijing in 1993. He is now studying the executive master's degree in business administration in Sino-Europe International Business School. Prior to joining the Group in 1999, Mr. Liang had worked for No. 1 Bureau of the China Exploration and Engineering Bureau for 15 years. Mr. Liang is experienced in the competition of and governmental control on city piped gas, pricing mechanism research and enterprise's internal strategic performance management. Other than the current appointment as the Executive Director and the position of the Director of Strategic Performance Management of the Company, Mr. Liang did not hold any other positions with any members of the Group, nor did he hold any other directorships or major appointments in any other listed public companies in the last three years.

Mr. Liang has entered into a service contract with the Company for a period of three years from 18 November 2008. The contract will be automatically renewed every year upon expiry until terminated by either party by the way of giving the other party a written notice not less than six months in advance. The appointment is subject to retirement by rotation and re-election at the next annual general meeting in accordance with the Articles of Association of the Company. Pursuant to the terms of the contract, Mr. Liang will receive a director's remuneration of HK\$400,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the remuneration policy of the Company and the market benchmark.

As at the date of this announcement, Mr. Liang does not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance, and neither is he connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

**Ms. Zhai Xiaoqin**, aged 40, is the Chairman of the Supervisory Committee of the Company responsible for monitoring internal audit process and carrying out risk management. She graduated from the School of Economic and Management of the

Tsinghua University in 1996 and received a master's degree in business administration from the Beijing Institute of Technology in 2001. She is now studying the executive master's degree in business administration in Sino-Europe International Business School. Prior to joining the Group in 1996, Ms. Zhai had been serving in Nantong Yifanda Computer Company Limited as the Sales Director. Ms. Zhai has accumulated more than 12 years' experience in strategic management, risk management and corporate governance. Other than the current appointment as the Executive Director and the position of the Chairman of the Company's Supervisory Committee, Ms. Zhai did not hold any other positions with any members of the Group, nor did she hold any other directorships or major appointments in any other listed public companies in the last three years.

Ms. Zhai has entered into a service contract with the Company for a period of three years from 18 November 2008. The contract will be automatically renewed every year upon expiry until terminated by either party by the way of giving the other party a written notice not less than six months in advance. The appointment is subject to retirement by rotation and re-election at the next annual general meeting in accordance with the Articles of Association of the Company. Pursuant to the terms of the contract, Ms. Zhai will receive a director's remuneration of HK\$400,000 per annum, which is determined with reference to her duties and responsibilities with the Company, the remuneration policy of the Company and the market benchmark.

As at the date of this announcement, Ms. Zhai does not have any interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance, and neither is she connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Liang and Ms. Zhai confirms that, in relation to their appointments as the Executive Directors, there is no other information which is discloseable under Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any other matters that need to be brought to the attention of the shareholders of the Company.

With Mr. Liang's extensive experience in performance management and Ms. Zhai's considerable experience in risk management, the Board believes that the Group's performance in these two aspects will be further enhanced, which can help facilitating the implementation of the Enterprise Resource Planning ("ERP") system, the enterprise management software SAP and the balanced score card throughout the

Group so that the Group can maintain its long-term development under a safe and controlled system.

## **CHANGE OF CHIEF EXECUTIVE OFFICER**

The Board is also pleased to announce that, with effect from 18 November 2008, Mr. Chen Jiacheng, an Executive Director of the Company, has been appointed as the new Chief Executive Officer of the Company to fill the vacancy occasioned by the resignation of Mr. Yang as the Chief Executive Officer. Upon joining the Group in 2002, Mr. Chen has been responsible for the business operation and management of the Company and is therefore well acquainted with the gas industry as well as the operation of the Group. He has been holding the position of General Manager of the Group since 2002 and has accumulated more than 18 years' experience in management. The Board believes that, with his extensive experience, Mr. Chen is well qualified for the position of the Chief Executive Officer of the Group.

The Board would like to take this opportunity to express its gratitude to Mr. Yang and Mr. Qiao for their valuable contribution to the Group for years and also extend its warm welcome to Mr. Liang and Ms. Zhai for joining the Board.

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

Hong Kong, 18 November 2008

*As at the date of this announcement, the Board of the Company comprises eight executive directors, namely Mr. Wang Yusuo (Chairman), Mr. Chen Jiacheng (Chief Executive Officer), Mr. Zhao Jinfeng, Mr. Yu Jianchao, Mr. Cheung Yip Sang, Mr. Cheng Chak Ngok, Mr. Liang Zhiwei and Ms. Zhao 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.*

*\* For identification purpose only*