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This announcement, for which the directors of the Company collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange (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:- (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.



PANVA GAS HOLDINGS LIMITED

百江燃氣控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8132)

ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING in respect of the establishment of a joint venture in the People’s Republic of China

Panriver Investments Company Limited, a wholly owned subsidiary of Panva Gas Holdings Limited, has entered into a memorandum of understanding with an independent third party in relation to the proposed establishment of a joint venture in the PRC. A summary of the arrangement is set out below.

Pursuant to rule 17.10 of the GEM Listing Rules, the board of directors (the “Board”) of Panva Gas Holdings Limited (the “Company”) wishes to announce the following:

On 13 April 2005, in a promotional event on the Province of Jiangxi (江西省) of the People’s Republic of China organized by the Jiangxi Provincial Government in Hong Kong, the company through a wholly owned subsidiary, Panriver Investments Company Limited (“Panriver Investments”) entered into a non-legally binding memorandum of understanding (the “MOU”) with the Municipal Government of the municipality of the city of Xinyu (新餘市), the “Xinyu Government”, Jiangxi Province. Details of the MOU are as follows:

1. Total expected investment is approximately RMB130 million, however, the final investment amount is subject to further negotiations;
2. To establish a sino foreign equity joint venture whereby Panriver Investments will take up not less than 51% and not more than 70% equity interests in the joint venture;

3. The Xinyu Government will take up the remaining portion of the joint venture by partly injecting cash and partly the assets of Xinyu City Gas Company (新餘市煤氣公司). The Xinyu City Gas Company is principally engaged in the operation and management of the city gas pipeline network of Xinyu;
4. The MOU is valid for duration of six months from 13 April 2005; and
5. Other details of the Xinyu Project have not yet been determined.

The subject discussion is in a preliminary stage and may or may not lead to any agreement. The Company will make further announcement if and when appropriate.

Save as disclosed above, the Board confirms that it is not aware of any matter discloseable under the general obligation imposed by the Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature. When the Board is aware of any matter which is or may be of a price-sensitive in nature, further announcements will be made in due course by the Board as required by the GEM Listing Rules.

As the above plan may or may not proceed, shareholders of the Company and the public investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Chen Wei
Managing Director

Hong Kong, 14 April 2005

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

Executive Directors:

OU Yaping (*Chairman*)
TANG Yui Man Francis
(*Vice Chairman*)
CHEN Wei (*Managing Director*)
LI Fujun
SHEN Lian Jin
ZHANG Keyu

Non-executive Directors:

FOK Kin-ning, Canning
TO Chi Keung, Simon
(*alternate director to Mr. FOK
Kin-ning, Canning*)

Independent Non-executive Directors:

CHEUNG Hon Kit
LI Xiao Ru
GE Ming

** for identification purposes only*

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