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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)

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
AND
PROPOSED LISTING ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION**

Further to the announcement of the Company dated 19 April 2005, the Board would like to announce that on 3 May 2005, Merrill Lynch (Asia Pacific) Limited acting as the Company's sponsor has, on behalf of the Company, submitted an advance booking form for the Proposed Introduction to the Stock Exchange. The Stock Exchange has also been notified of the Company's intention to implement the Proposed Withdrawal. The Proposed Withdrawal will be conditional upon, amongst other things, the approval by the Shareholders and the Stock Exchange of the Proposed Introduction.

The Proposed Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Further to the announcement of the Company dated 19 April 2005, the Board would like to announce that on 3 May 2005, Merrill Lynch (Asia Pacific) Limited acting as the Company's sponsor has, on behalf of the Company, submitted an advance booking form for the Proposed Introduction to the Stock Exchange. The Stock Exchange has also been notified of the Company's intention to implement the Proposed Withdrawal. However, the Directors would like to emphasize that both the Proposed Introduction and the Proposed Withdrawal are at a preliminary stage and that the definitive timetable for the Proposed Introduction and the Proposed Withdrawal has yet to be finalized.

REASONS FOR THE PROPOSED INTRODUCTION

The Group is principally engaged in the sale and distribution of natural gas and LP Gas in the Eastern, Central Northeastern, Southern and Southwestern regions of the PRC. The main activities include the sale of LP Gas in bulk and in cylinders, the provision of piped natural gas and LP Gas, the construction of gas pipelines, the operation city gas pipeline networks, the operation of natural gas and LP Gas automobile refilling stations, and the sale of natural gas and LP Gas household appliances. Since the listing of its Shares on GEM in April 2001, the Group has experienced significant growth and has established strong positions in each of its primary business segments. Nevertheless, the Directors are of the view that the listing of the Shares on the Main Board will help to enhance the profile of the Group, resulting in further coverage and recognition from leading industry analysts and the investing public, including large institutional investors, as well as increasing the trading liquidity of the Shares. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Company.

The Proposed Introduction will not materially affect the business objectives and strategies of the Group.

CONDITIONS OF THE PROPOSED WITHDRAWAL

If the Company proceeds with the Proposed Introduction, the Proposed Withdrawal will be conditional upon, among other things:

- (a) the Stock Exchange granting approval to the listing of, and permission to deal on the Main Board in the Shares in issue and any Shares issuable by the Company as described in the listing document to be issued by the Company in connection with the Proposed Introduction;
- (b) the passing of an ordinary resolution by the Shareholders at the EGM to approve, amongst other things, the Proposed Withdrawal;
- (c) the publication of a notice of the Proposed Withdrawal as required by the GEM Listing Rules after obtaining the approval of the Shareholders as referred to in (b) above; and
- (d) the obtaining of all other relevant consents which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and fulfillment of all conditions which may be attached to such consents, including but not limited to, the consent to the Proposed Withdrawal and Proposed Introduction of (i) the holder of the Kenson Note; and (ii) DB Trustees (Hong Kong) Limited, the trustee of the trust deed constituting the Convertible Bonds and the publication of a notice to the bondholders, or of the bondholders (if necessary) and/or satisfying any other applicable requirements relating thereto.

In this regard, if the Company proceeds with the Proposed Introduction, the EGM will be convened at an appropriate time to seek the approval of the Shareholders for the Proposed Withdrawal.

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Introduction and the Proposed Withdrawal are subject to certain conditions to be fulfilled and thus may or may not become effective. **Accordingly, the Proposed Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

GENERAL

If the Company proceeds with the Proposed Introduction, a circular containing, amongst other things, further details of the Proposed Introduction and the Proposed Withdrawal, the expected timetable and a notice convening the EGM will be despatched to the Shareholders as soon as practicable. A listing document in relation to the Proposed Introduction will also be despatched to the Shareholders for their information following the receipt of a preliminary indication of the approval for the Proposed Introduction from the Stock Exchange. In this regard, the Company has submitted an application for a waiver (which may or may not be granted) from strict compliance with the minimum three-month notice period for the Proposed Withdrawal as required under Rule 9.19(3) of the GEM Listing Rules to a minimum of five clear business days.

Further announcements will be made by the Company to keep the Shareholders informed on the latest progress of the Proposed Introduction and the Proposed Withdrawal.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below, unless the context otherwise requires:

“Board”	the board of Directors
“Bondholders”	holders of the Convertible Bonds
“Company”	Panva Gas Holdings Limited (stock code: 8132), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Convertible Bonds”	the US\$50 million convertible bonds issued by the Company, due in 2008
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve, among other things, the Proposed Withdrawal and the Proposed Introduction
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries (as defined in the GEM Listing Rules)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Kenson”	Kenson Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Sinolink Worldwide Holdings Limited, the shares of which are listed on the Main Board
“Kenson Note”	HK\$62,500,000 exchangeable redeemable note issued by Kenson to Hutchison International Limited (a wholly-owned subsidiary of Hutchison Whampoa Limited) on 1 November 2004, which is exchangeable into the existing issued Shares held by Kenson
“LP Gas”	liquefied petroleum gas
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan
“Proposed Introduction”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to the Main Board Listing Rules
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the Shares on GEM
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Panva Gas Holdings Limited
Chen Wei
Managing Director

Hong Kong, 3 May 2005

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

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 FOK Kin-ning, Canning*)

Independent Non-executive Directors

CHEUNG Hon Kit

LI Xiao Ru

GE Ming

* *for identification purpose only*

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: (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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.