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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: 1083)

RULE 13.09 ANNOUNCEMENT

Advancement of loan by The Hong Kong & China Gas Company Limited

The Company had on 19 April 2007 entered into the Loan Agreement with HKCG pursuant to which HKCG had agreed to advance the Loan to the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The directors of the Company wishes to announce that the Company and HKCG had on 19 April 2007 entered into the Loan Agreement pursuant to which HKCG had agreed to advance the Loan to the Company. The principal terms of the Loan include the following:

- Loan amount : HK\$ equivalent of US\$25 million (approximately HK\$195 million)
- Interest : 12-month HIBOR + 1.25% per annum
- Availability Period : the period of 6 months from the date of the Loan Agreement, by one or more drawings
- Interest period : interest payable at every 12 months interval
- Security : unsecured
- Final maturity date : the day falling 60 months from 19 April 2007

The advancement of the Loan by HKCG is one of the steps in improving the Group's financial position and liquidity.

As Hong Kong & China Gas (China) Limited, a substantial shareholder of the Company, is a wholly-owned subsidiary of HKCG, HKCG is a connected person of the Company under the Listing Rules and the Loan Agreement constitutes a connected transaction for the Company under the Listing Rules. However, as the Loan is on normal commercial terms or better to the Company and is unsecured, it is exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The principal activities of the Group are the sale and distribution of liquefied petroleum gas and natural gas in the People’s Republic of China, including the sale of liquefied petroleum gas in bulk and in cylinders, the provision of piped gas and natural gas, construction of gas pipelines, the operation of city gas pipeline network, the operation of gas fuel automobile refilling stations, and the sale of liquefied petroleum gas and natural gas household appliances.

DEFINITIONS

“Company”	Panva Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Group”	the Company and its subsidiaries
“HIBOR”	in relation to any period with respect to which HIBOR is to be calculated hereunder, the annual rate of interest published or reported on the display designated as HIBO of Bloomberg Service on the column entitled “HIBO FIXING” (or any equivalent successor of that page or of that column) at or about 11:00 a.m. on the first day of such period as being the interest rate offered in the Hong Kong inter-bank market for HK\$ deposits for the same period, provided that if at the relevant time no such rate appears on HIBO page of Bloomberg Service, the relevant page is not on display or the Bloomberg Service is not operating, HIBOR for that period shall be the rate per annum at which The Hongkong and Shanghai Banking Corporation Limited is offering deposits in HK\$ in an amount comparable to the amount in relation to which HIBOR is to be determined for a period comparable to such period, to prime banks in the Hong Kong interbank market at 11:00 a.m. (Hong Kong time) on the first day of such period
“HK\$”	Hong Kong dollars
“HKCG”	The Hong Kong and China Gas Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of HK\$ equivalent of US\$25 million bearing interest at the rate of 12-month HIBOR + 1.25% per annum

“Loan Agreement” the agreement dated 19 April 2007 entered into between HKCG and the Company pursuant to which HKCG has agreed to advance the Loan to the Company

“US\$” United States dollars

By order of the Board
HO Hon Ming, John
Executive Director and Company Secretary

Hong Kong, 19 April 2007

At the date of this announcement, the board of directors of the Company comprises:

Executive directors: CHAN Wing Kin, Alfred (Chairman), WONG Wai Yee, Peter (Chief Executive Officer), OU Yaping, TANG Yui Man Francis (Alternate Director to OU Yaping), CHEN Wei, KWAN Yuk Choi, James, HO Hon Ming, John and SHEN Lian Jin

Independent non-executive directors: CHEUNG Hon Kit, LI Xiao Ru, ZHANG Ke

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.8 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been or could have been or could be converted at the above rate or at any other rates or at all.

Please refer to the published version of this announcement in the South China Morning Post.

** For identification purpose only*