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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)

DESPATCH OF CIRCULAR IN RELATION TO THE MAJOR TRANSACTION AND THE WHITEWASH WAIVER AND PUBLICATION OF CERTAIN FINANCIAL INFORMATION OF THE TARGET COMPANIES

The Circular containing, inter alia, details of the Acquisition, the Consideration Share Issue and the Whitewash Waiver and the notice convening the Panva EGM will be despatched to the shareholders on 30 January 2007.

Certain financial information of the Target Companies as required under Rules 14.58(6) and (7) of the Listing Rules are also disclosed in the Circular.

Reference is made to the announcement dated 4 December 2006 issued jointly by Panva Gas Holdings Limited (the “**Company**”), Enerchina Holdings Limited (“**Enerchina**”) and The Hong Kong and China Gas Company Limited in relation to, amongst others, the Acquisition, the Consideration Share Issue and the Whitewash Waiver (the “**Announcement**”), the announcement dated 22 December 2006 issued by the Company in relation to an extension of time for despatch of circular and the announcement dated 12 January 2007 issued jointly by the Company and Enerchina in relation to the further delay in despatch of circular. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcement.

DESPATCH OF CIRCULAR

The directors of the Company (the “**Directors**”) are pleased to announce that the circular (the “**Circular**”) in relation to, inter alia, the major transaction and the Whitewash Waiver will be despatched to the Panva Shareholders on 30 January 2007. The Circular contains, among other things, details of the Acquisition, the Consideration Share Issue, the Whitewash Waiver, the recommendation of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Whitewash Waiver, and in relation thereto, the Acquisition and the Consideration Share Issue, the financial information of the Target Companies as required under Rules 14.58(6) and (7) of the Listing Rules and the notice convening the Panva EGM. There is no other price sensitive information which is known to the Company or contained in the Circular which requires a separate disclosure by way of an announcement pursuant to Rule 13.09 of the Listing Rules.

The Panva EGM will be held on 15 February 2007, details of which are set out in the notice of Panva EGM in the Circular.

FINANCIAL INFORMATION OF THE TARGET COMPANIES

As disclosed in the Announcement, the Company was granted a waiver from strict compliance with the requirements under Rules 14.58(6) and (7) of the Listing Rules on conditions that, inter alia, a further announcement containing the value of the assets of, and the net profits attributed to, the Target Companies as referred to in Rules 14.58(6) and (7) of the Listing Rules will be made at the time of despatch of the Circular and that such financial information will also be included in the Circular. In satisfaction of the above conditions, set out below are the financial information of the Target Companies as required under Rules 14.58(6) and (7) of the Listing Rules, details of which will also be contained in the Circular:

HK\$ million

Aggregate Total Assets Value of the Target Companies as at 30 September 2006	749.9
Aggregate Net Assets Value of the Target Companies as at 30 September 2006	80.1
Aggregate Net Profit before taxation and extraordinary items of the Target Companies for the financial year ended 31 December 2004	5.1
Aggregate Net Profit after taxation and extraordinary items of the Target Companies for the financial year ended 31 December 2004	2.5
Aggregate Net Profit before taxation and extraordinary items of the Target Companies for the financial year ended 31 December 2005	22.6
Aggregate Net Profit after taxation and extraordinary items of the Target Companies for the financial year ended 31 December 2005	22.0

Shareholders and investors are reminded that the Completion of the Acquisition is conditional upon the satisfaction of the Conditions and should therefore exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 January 2007

At the date of this announcement, the Board of Directors of the Company 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 Director: TO Chi Keung, Simon

Independent Non-executive Directors: CHEUNG Hon Kit, LI Xiao Ru, ZHANG Ke

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the financial information on the Target Companies) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that in respect of the financial information on the Target Companies) have been arrived at after due and careful consideration and there are no other facts (other than that in respect of the financial information on the Target Companies) not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of HKCG jointly and severally accept full responsibility for the accuracy of the financial information on the Target Companies only in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to the financial information on the Target Companies have been arrived at after due and careful consideration and there are no other facts relating to the Target Companies not contained in this announcement the omission of which would make any statements in this announcement misleading.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.