

[Press Release]

**Panva Gas Announces Strong 2004 Annual Results;
Profit Up 26% YOY to HK\$264 Million**

Financial Highlights

	For the year ended 31 December		
	2004 HK\$' 000	2003 HK\$' 000	Change +(-)%
Turnover	1,800,253	1,457,632	+23.51%
Gross profit	446,871	384,343	+16.27%
Net profit	264,088	209,074	+26.31%
Earnings per share - basic	HK28.14cents	HK33.97cents	(17.16)%
Earnings per share - diluted	HK26.38cents	HK30.36cents	(13.11)%

Business Snapshot

	For the year ended 31 December		
	2004 HK\$' 000,000	2003 HK\$' 000,000	Change +(-)%
Turnover			
LP Gas wholesale	859	756	+13.62%
LP Gas retail sales	413	344	+20.06%
Piped Gas retail sales	66	30	+120%
Gas pipeline construction	431	320	+34.69%

(17 March 2005, Hong Kong): **Panva Gas Holdings Limited** (Stock Code: 8132, “Panva Gas” or “the Group”), today announced its annual results for the year ended 31 December 2004. The Group’s turnover increased by 23.5% over last year to about HK\$1,800 million. Gross profit grew by 16.3% to approximately HK\$447 million, while net profit also rose, to about HK\$264 million, representing an increase of 26.3%.

Commenting on the Group’s annual results, Mr. Chen Wei, Managing Director of Panva Gas, said, “ During the period under review, Panva received steady growths for its businesses as well as major breakthroughs in new project developments, with a number of newly acquired city piped gas projects being not only large in size but huge in significance. Thanks to the collective efforts of both the staff and the management, the Group has secured eight new projects in the PRC, and our operations extended to eleven provinces. It marked our success in execution of the business development plan set out in the beginning of the year.”

A Year of Accomplishment

The wholesale of LP Gas remains the core business of the Group. For the year ended 31 December 2004, wholesale of LP Gas recorded a turnover of approximately HK\$859 million, representing 13.6% growth over the same period last year, and accounting for about 48.0% of the Group's total turnover.

The retail sale of LP Gas comprises the direct sale of LP Gas in cylinders to end-user customers. For the year ended 31 December 2004, turnover derived from the retail of LP Gas grew by 20.1% to approximately HK\$413 million, accounting for approximately 22.9% of the Group's total turnover.

The sale of piped gas comprises the direct sale of piped LP Gas and piped natural gas to end-user households. Turnover of the business increased by 120% to approximately HK\$66 million, accounting for approximately 3.69% of the Group's total turnover.

As at 31 December 2004, the Group had approximately 456,000 households of end-user customers for its sale of piped gas, an increase of approximately 194,200 households over last year.

The Group's gas pipeline development business mainly includes the construction and maintenance of piped gas stations and networks, through which the Group provides direct connection of piped gas to end-user households and receives a connection fee. Turnover from the gas pipeline development business rose by 34.7% over last year to approximately HK\$431 million, accounting for about 23.9% of the Group's total turnover.

During 2004, the Group successfully secured eight new piped gas projects. Among them, the Group has gained major footholds for its strategic development in the northeastern PRC region by securing three large and quality projects in Changchun city of Jilin province, Anshan city of Liaoning province, and Qiqihar city of Heilongjiang province. The Group also secured five new projects in the cities of Yuechi, Cangxi, Zhongjiang, Pengshan and Chengdu in Sichuan province, further strengthening the Group's market position in that region.

Strong Financial Position Paved a Way for Business Growth

The Group successfully issued a 7-year senior note in September 2004 and raised approximately US\$200 million. Most of the proceeds will be used for new project development, with focus in piped gas business. The 8.25% guaranteed senior notes were due 2011, and were jointly arranged by Morgan Stanley & Co., International and Merrill Lynch.

Continuous Growth in PRC's Gas Fuel Market

Looking ahead, Mr. Chen expressed his optimism about business prospects, "The successful issue of the senior notes strengthened the Group's financial position, and allow us to acquire quality gas projects within next two years. The Group is well positioned to seize the new opportunities in gas fuel industry resulting from China's rapid developing economy and the privatization of the energy sector."

Mr. Chan also outlined the Group's plans, "In 2005, the Group will further enhance its cost efficiency and maximize its profit through adoption of viable management practices used by well-established international gas operators. Also, the Group will expand its piped gas business in Sichuan and northeastern China. For the LP Gas business, the Group will develop new markets in the medium or large cities in the PRC. We believe it will generate favorable returns to shareholders."

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Panva Gas Holdings Limited

Panva Gas Holdings Limited (Stock Code: 8132, "Panva Gas"), the gas-business flagship of Sinolink Worldwide Holdings Limited (Stock Code: 1168), is one of the major foreign investors in LP Gas and natural gas ("gas fuel") businesses in the PRC. Its businesses comprise 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 of city gas-pipeline networks, the operation of gas-fuel automobile-refilling stations, and the sale of natural-gas and LP-Gas household appliances. Panva Gas has operations in eleven provinces in the PRC: Sichuan, Guizhou, Hunan, Jiangsu, Yunnan, Anhui, Shandong and Guangdong, Heilongjiang, Jilin and Liaoning.

Panva Gas was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 20 April 2001. It was assigned a "BB+" and "Ba1" foreign currency corporate credit rating by Standard & Poor's and Moody's, respectively.

Company Website: www.panva-gas.com

This press release is issued by PR Concepts Co. Ltd for and on behalf of Panva Gas Holdings Limited. For further enquiries, please contact:

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