



[Press Release]

## **Panva Gas Establishes a Joint Venture in Jinan City, Shandong Province To Expand its Piped Natural Gas Business**

(17 August 2005, Hong Kong): **Panva Gas Holdings Limited** (Stock Code: 8132, “Panva Gas” or “the Group”) today announced that its wholly-owned subsidiary company, Panriver Investments Co. Limited (“Panriver”) and an independent third party have entered into a joint venture agreement with Jinan Gas Co. Ltd. (“Jinan Gas”) to establish Shandong Panva Gas Co. Ltd. (“Shandong Panva Gas”), which holds a 30-year concession to operate the piped natural gas business in the developed district (West Region) of Jinan city, Shandong province.

According to the JV Agreement, Jinan Gas and Panriver and independent third party will hold 50%, 48% and 2% of the registered capital of the Shandong Panva Gas respectively. The capital contributions of Jinan Gas, Panriver and independent third party are RMB 200 million, RMB 192 million and RMB 8 million respectively. Shandong Panva Gas will have a registered capital of RMB400 million (equivalent to approximately HK\$384.6million)

The total covered population of the operation area is 1.1 million, and it accounts for about 50% of the area and 50% of the number of households of the developed district of Jinan. It is expected that the population will reach 1.6 million in the future, and number of connectable households will increase to 400,000, posting a huge market potential for the gas industry in this area.

Commenting on the Group’s new expansion, Mr. Chen Wei, Managing Director of Panva Gas, said, “Jinan piped natural gas project has further strengthened Panva Gas’ presence in the PRC market, and provides us with a solid foundation in exploring other gas markets in the Eastern China. We will continue to pursue more high quality, large-scaled gas projects in major cities and bring favourable returns to our shareholders.”

### **About Jinan**

Jinan, the capital city of Shandong province, is the political, economical and cultural hub of Shandong province, which is also an important manufacturing base in China. Jinan enjoys a variety of geographical advantages mainly due to the broad economic hinterland and the extensive transportation networks. Jinan has a total population of 5.9 million, of which 3.48 million are city residents. With its manufacturing base and favourable geographical location, the GDP in Jinan city reached RMB161,900 million in 2004, and the disposal income per capita of the city residents was RMB12,005.

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### **Panva Gas Holdings Limited**

Panva Gas Holdings Limited (Stock Code: 8132, “Panva Gas”), the gas-business flagship of Enerchina Holdings Limited (Stock Code: 622), 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, 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](http://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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