



[Press Release]

Panva Gas Expands to Tieling, Liaoning Province In Order to Increase the Market Shares in Northeastern China

(15th December, 2005 – Hong Kong) **Panva Gas Holdings Limited** (Stock Code: 1083, “Panva Gas” or “the Group”) today announces that its wholly-owned subsidiary company, Panriver Investments Co., Ltd. (“Panriver”) has entered into an Asset Transfer Agreement with the Tieling Rural Construction Committee (“Tieling Rural Construction”) to acquire 80% of the state-owned property right of Tieling Town Gas Company (“Tieling Town Gas”) for a total consideration of RMB39.37 million, which holds a 30-year concession to operate the piped gas business in Tieling, Liaoning province.

Panriver and Tieling Rural Construction will establish a new joint venture company named Tieling Panva Gas Co. Ltd. (“Tieling Panva”). The registered capital of Tieling Panva is amounted to RMB49.21 million. Tieling Panva will be primarily engaged in the provision and sale of piped gas, and planning, construction, design, installation of gas pipelines; provision of gas-fuel to automobile and construction of gas-fuel automobile-refilling station; and the sale of gas-fuel household appliances. There are large reserves of coal mine and coalbed methane in Tieling area, about one-third of the city’s gas supply in Tieling is coalbed methane and the remaining is coke gas.

Operational areas are including Yinzhou District, Qinghe District and Kaiyuan City in Tieling. As at 31 May, 2005, Tieling Town Gas has approximately 84,900 residential users and 2,001 commercial users. With the rapid economic growth of Northeastern China, it is expected that the piped coal gas users will be increasing steadily in Tieling. Number of users would potentially rise to over 200,000 in the future, which would bring favorable profits to the Group for its long-term development.

About Tieling

Tieling is located at the northern part of Liaoning province, which is the major grain, livestock producing area for Liaoning province. There are 29 kinds of mineral resources in Tieling, with 30% coal reserve of Liaoning province. Tieling covers an area of approximately 13,000 square kilometers and currently has a population of over 3 million. GDP of Tieling in 2004 accounted for RMB 21,610 million.

Panva Gas Holdings Limited

Panva Gas Holdings Limited (Stock Code: 1083, “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, and switched into the Main Board on 8 December 2005. 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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