



[Press Release]

Panva Gas Expands to Chaoyang, Liaoning Province Further Increase the Market Shares in Northeastern China

(20th 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 Chaoyang People’s Government State Assets Supervision & Management Committee (the “Chaoyang People’s Government”) to acquire 90% of the state-owned equity right of Chaoyang Town Gas Company (“Chaoyang Town Gas”) for a total consideration of RMB80.324 million, which holds a 30-year concession to operate the piped gas and LP Gas business in Chaoyang, Liaoning province.

Panriver and Chaoyang People’s Government will establish a new joint venture company named Chaoyang Panva Gas Co. Ltd. (“Chaoyang Panva”). The registered capital of Chaoyang Panva is amounted to RMB89.249 million. Chaoyang Panva will be primarily engaged in the desulphurization, purification, storage, pressure regulating and transportation of coal gas; coal gas engineering, installation, maintenance and the sale of gas-fuel household appliances and the provision of LP Gas.

As at May 2005, Chaoyang Town Gas has approximately 74,320 piped gas users, in which 73,755 were residential users and 565 were commercial users. The connectable household in Chaoyang is approximately 880,000. With the support of the government to the Northeastern China, it is expected that the piped gas users will be increasing steadily in Chaoyang. Future urban population would potentially rise to over 500,000. Acquiring this project has strengthened the Group’s gas business in Northeastern China, which would bring favorable profits to the Group.

About Chaoyang

Chaoyang is located at the western part of Liaoning province, having rich mineral resources, with the most iron reserve of the western part of Liaoning province. Chaoyang covers an area of approximately 20,000 square kilometers and currently has a population of over 3.36 million. Chaoyang is one of the ten major gold producing areas in China.

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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