



For Immediate Release

Panva Gas Tapped into Qingyuan and Shaoguan, Guangdong Province Successfully Secured 7 New Projects in 2005

(Hong Kong, 3 January 2006) **Panva Gas Holdings Limited** (“Panva Gas” or “the Group”) (Stock Code: 1083) today announces that its wholly-owned subsidiary company, Panriver Investments Co., Ltd. (“Panriver”) has entered into an Asset Transfer Agreement in December 2005 with three companies in the PRC to acquire 100% of Shaoguan Keguang Piped Gas Co Ltd (“Shaoguan Keguang”) and 80% of Qingyuan Beike Languang Piped Gas Co. Ltd (“Qingyuan Beike”) for a total consideration of RMB124.8 million, which holds a 30-year concession to operate the piped gas business in both Shaoguan and Qingyuan, Guangdong province.

Shaoguan Keguang is primarily engaged in the development, construction and operation of piped gas, gas-fuel facilities and technology development; the sale, operation and refilling of gas cylinders; the sale of electronic appliances; the sale, installation, testing and maintenance of gas-fuel household appliances; piped gas engineering and installation, etc. As at 30 July 2005, Shaoguan Keguang has approximately 31,840 residential users and 60 industrial and commercial users. The connectable household in Shaoguan exceeds 800,000. With the continuous growth of urbanization, there will be a steady increment in Shaoguan piped gas users, which would bring favorable profits to the Group.

Qingyuan Beike is primarily engaged in the development, construction and operation of city piped gas, and the sale of gas-fuel household appliances, kitchenware, electronic appliances, etc. As at 30 July 2005, Qingyuan Beike has approximately 7,546 residential users and 23 commercial users. The connectable household in Qingyuan exceeds 1 million. With government’s promotion of clean energy, it is expected that the piped gas usage will be increased continuously in Qingyuan, and bring favorable income to the Group.

Commenting on the acquisition, Mr. Chen Wei, Managing Director of Panva Gas said, “The signing of new projects in Shaoguan and Qingyuan enhanced our market presence in Guangdong gas distribution market and marked our successful execution of the 2005 business plan of adding 6-8 new projects to our portfolio. In 2006, Panva Gas will continue to expand its market reach with dual focus in both LP Gas and piped gas businesses, and improve profit and return to shareholders.”

About Shaoguan

Located in northern Guangdong Province, Shaoguan is the hub of heavy industry in Guangdong Province with a total area of 18,385 square kilometers. In 2002, the population of Shaoguan amounted to 3.13 million.

About Qingyuan

Qingyuan is located in the mid-north area of Guangdong Province, and the midstream and downstream of Beijiang with extensive transportation network. In 2004, the GDP of Qingyuan increased by 19.6% when compared to 2003, ranking the top among Guangdong Province.

Panva Gas Holdings Limited (Stock Code: 1083)

Panva Gas Holdings Limited (“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

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