

[Press Release]

**Panva Gas Announces Strong 2005 3rd Quarter Results;
Profit Up 28.6% YOY to HK\$219Million**

Financial Highlights

	For the nine months ended 30 September		
	2005 HK\$' 000	2004 HK\$' 000 (Restated)	Change +(-)%
Turnover	1,621,989	1,280,982	+26.6%
Gross profit	467,814	284,872	+64.2%
Net profit Attributable to Equity Holders	219,309	170,583	+28.6%
Earnings per share - basic	HK23.28cents	HK18.20cents	+27.9%
Earnings per share - diluted	HK22.95cents	HK16.69cents	+37.5%

Business Snapshot

	For the nine months ended 30 September		
	2005 HK\$' 000	2004 HK\$' 000	Change +(-)%
LP Gas wholesale	667,572	658,119	+1.4%
LP Gas retail sales	391,792	276,078	+41.9%
Piped Gas retail sales	79,904	52,387	+52.5%
Gas pipeline construction	433,241	269,555	+60.7%

(14 November 2005, Hong Kong): **Panva Gas Holdings Limited** (Stock Code: 8132, “Panva Gas” or “the Group”), today announced its unaudited consolidated results for the nine months ended 30 September 2005. The Group’s turnover increased by 26.6% over the same period last year to about HK\$1,622million. Gross profit grew by 64.2% to approximately HK\$468million, while net profit also rose to about HK\$219 million, representing an increase of 28.6%.

Commenting on the Group’s results, Mr. Chen Wei, Managing Director of Panva Gas, said, “Since the beginning of this year, the ever-increasing oil price puts the companies in gas industry in great challenges. However, by leveraging on the Group’s economies-of-scale advantages, the Group’s subsidiaries made coordinated efforts to broaden the purchase channels and reduce the purchase cost. Meanwhile, the Group proactively strengthened its communications with local



governments to seek their support. As a result, the Group overcame such harsh environment with steady growth in various business.”

Accomplishments in the nine months ended 30 September 2005

For the nine months ended 30 September 2005, the wholesale of LP Gas business recorded a turnover of approximately HK\$668 million, representing a 1.4% increase over the same period last year, and accounting for about 41.2% 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 nine months ended 30 September 2005, turnover derived from the retail of LP Gas grew by 41.9% to approximately HK\$392 million, accounting for approximately 24.2% 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 52.5% to approximately HK\$80 million, accounting for approximately 4.9% of the Group’s total turnover.

As at 30 September 2005, the Group had approximately 595,600 households of end-user customers for its sale of piped gas, an increase of approximately 70,500 households over 30 June 2005.

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 60.7% over the same period last year to approximately HK\$433 million, accounting for about 26.7% of the Group’s total turnover.

During the period under review, Panva Gas and an independent third party entered into a joint venture agreement with Jinan Gas Co. Ltd. to establish Shandong Panva Gas Co. Ltd., 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 agreement, Panva Gas will hold 48% stake in the joint venture and the capital contribution of Panva Gas is RMB 192 million. The total covered population of the operation area is 1.15 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 2 million by 2020, and number of connectable households will increase to 525,000, posting a huge market potential for the gas industry in this area. With the Jinan project, Panva Gas has strengthened its market position in gas industry.

Proposed Move from GEM to Main Board

On 3 May 2005, the Group applied to The Stock Exchange of Hong Kong Limited for the listing of the Group’s shares on the Main Board by way of introduction, with Merrill Lynch (Asia Pacific) Limited acting as sponsor. The Listing Committee of the Main Board granted an approval in principle of the proposed listing in November 2005 and the stock code of Panva Gas on Main Board will be 1083. Upon the approval from the Extraordinary General Meeting, the Group will start dealings in the shares on the Main Board at 9:30am on 8 December 2005. The proposed listing will not only enhance the Group’s corporate profile, but also increase the financing flexibility that will fuel Panva Gas’ future growth.

The Opening up of Gas Market Boosts Growth

Looking ahead, Mr. Chen expressed his optimism about business prospects, “Given the progressive effort of PRC Government to transform the state-owned enterprises and further open up the utility sector, the Group continued to accelerate its new project development. In some large and medium sized cities in Northeastern PRC, our focal region of new project development, we have obtained significant breakthroughs and the discussions were in the final stages. Moreover, we are fine-tuning the details of some of the new projects in Sichuan province. Letters of intent have been signed with a number of cities in the PRC and all the discussions are progressing smoothly. The Group looks forward to satisfactory progress in new project development.”

Mr. Chen outlined the Group’s plans, “As the overall framework of energy development has now taken shape in the PRC, the Group is confident in its future prospect. The completion of ‘West to East Gas Pipelines’ programme will boost both the domestic and industrial natural gas consumption, meanwhile the encouraging progress of ‘Southbound Supply of Natural Gas’ made by Chinese and Russian governments has gave further substance to the framework. In February 2005, the State Council released a new policy paper on ‘Encouraging, Supporting and Guiding the Development of the Non-State Sector’ which lowers the threshold for private businesses’ entry into sectors the State previously monopolized. Such favourable conditions provided good opportunities for the Group in new project development in Northeastern region. Looking ahead, the Group will pace up the development of both the LP Gas and piped gas business by expanding piped gas network and strategically engaging in the reform of selective state-owned LP Gas enterprises with quality assets and good prospects in large and medium sized cities. The Group will also capitalize on its strong resources to develop clean energy and further explore the enormous market for automobile gas, which will further increase the market share of Panva Gas and ultimately generate favourable 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 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

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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