



To: Business Editor (For immediate release)

**Panva Announces the Shareholders' Approval of the Acquisition of
Equity Interests in 10 Mainland China Piped Gas Companies**

Partnership to Drive China Gas Distribution Business

(HONG KONG, February 15, 2007) -- Panva Gas Holdings Limited ("Panva") today announced that pursuant to an Extraordinary General Meeting held, the shareholders of Panva have approved the acquisition of the entire issued share capital of 8 target companies which hold, collectively, equity interests varying from 27% to 100% in 10 PRC companies. These companies operate in various cities in the PRC including Qingdao, Zibo, Longkou, Weifang, Weihai, Taian, Maanshan and Anqing, and are all engaged in the operation of piped gas assets and related business in the PRC.

Shareholders of Panva also approved a waiver dispensing The Hong Kong and China Gas Company Ltd's (Towngas) obligation to make a mandatory general offer for all the securities of Panva under Rule 26 of the Takeovers Code.

Upon completion of the transaction, approximately 772 million new shares of Panva at a unit price of HK\$4.18 per share will be issued to Towngas, equaling approximately 44% of Panva's enlarged share capital. Subsequently, Towngas will become the controlling shareholder of Panva. After completion, Panva will cease to be a subsidiary of Enerchina Holdings Limited ("Enerchina") and will be treated as an associated company of Enerchina and Towngas. The transaction is expected to be completed on March 1, 2007.

Mr Alfred Chan Wing-kin, Managing Director of Towngas said, "We greatly appreciate the support shown by Panva's shareholders in relation to our companies' cooperation. We are delighted to have the opportunity to work with the Panva management to jointly develop our gas distribution business in China, and we are fully confident of our future success. In the coming months, Towngas and Panva will work closely to integrate the operations of the newly acquired projects, and to fully manifest the synergistic benefits of this collaboration. Meanwhile, with our support, Panva will continue to actively develop gas projects within new cities in China, fulfilling its mission as an acquisition platform in the China city gas distribution sector."

Mr Ou Yaping, Chairman of Panva commented, "I am very grateful for the support of Panva shareholders to approve the transaction with Towngas. Being one of the most experienced and successful brand names in the Asian utility sector, Towngas will offer tremendous value to enhance Panva's management, operations and services. I am extremely optimistic about Panva's future business prospects as well as its long-term return potential, and have strong faith in its mission to become the flagship venture in the China city gas distribution industry."

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The Hong Kong and China Gas Company Limited (003.HK)

Founded in 1862, The Hong Kong and China Gas Company Limited (“Towngas”) was the first public utility company in Hong Kong. With a pipeline network of over 3,000 km and an 85% economic reach, the company supplies gas to over 1.6 million customers in the territory. Its core business comprises the production and distribution of gas, the marketing of gas and appliances and comprehensive after-sale services. In recent years, Towngas has diversified into various environmentally friendly businesses including LPG filling stations and the utilization of landfill gas.

Towngas is active in developing city piped gas businesses, LNG businesses and a number of midstream projects in the Mainland. In 2005, Towngas also began to develop city water projects, including water supply and water treatment. Towngas operates more than 40 joint venture companies in the Mainland.

Panva Gas Holdings Limited (1083.HK)

Panva Gas Holdings Limited (“Panva”) is a leading market player in LPG and natural gas businesses in China. Its principal activities are the sale and distribution of LP Gas and natural gas in the PRC, including the sale of LP Gas in bulk and in cylinders, the provision of piped gas and natural gas, construction of gas pipelines, the operation of city gas pipeline network, the operation of gas fuel automobile refilling stations, and the sale of LP Gas and natural gas household appliances. Its customers include residential, commercial and industrial users. With increasing focus on domestic environmental issues, the Chinese government has been enhancing environmental protection standards. Panva has seized the opportunity and capitalized on the market demand for clean energy. Panva is currently operating 35 piped gas projects and 16 LPG projects in 12 provinces including, Sichuan, Guizhou, Hunan, Jiangsu, Yunnan, Anhui, Shandong, Guangdong, Heilongjiang, Jilin, Liaoning and Zhejiang, serving over 1.7 million users in the PRC.

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