



The board of directors (the “Board”) of Enerchina Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2004.

FINANCIAL HIGHLIGHTS

- Power Generation up 1.0 time to 633.5 million kilowatt hour
- Turnover up 94.2% to HK\$364,675,000
- Net profit up 4.9 times to HK\$29,868,000
- Earnings per share up 49.0% to HK1.55 cents

MANAGEMENT DISCUSSION & ANALYSIS

During the period under review, the Group recorded consolidated turnover of HK\$364.7 million, representing an increase of 94.2% over the same period last year. The net profit for the period was HK\$29.9 million, a significant increase of 4.9 times as compared to the same period last year. The basic earnings per share was HK1.55 cents, an increase of 49.0% as compared to same period last year and the net asset value per share as at 30 June 2004 was HK\$0.56.

BUSINESS REVIEW

Electricity generation

In the first half of 2004, despite the fact that the government of the People’s Republic of China (the “PRC”) introduced macroeconomic measures to adjust its economy, the growth of both power generation and consumption remained high in the PRC. In fact, due to the shortage of electricity supply over demand, several provinces in the PRC had taken measures to restrict electricity consumption. The gross domestic products in the PRC grew by 9.7% over the period under review and the power generation industry grew at an even greater rate with the total domestic electricity consumption grew by approximately 15.8% in the same period.