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ENERCHINA HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock code: 622)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES OF CORDOBA

The Board is pleased to announce that on 25 January 2011, the Subscriber, a wholly-owned subsidiary of the Company, and Cordoba entered into the Agreement pursuant to which Cordoba agreed to issue and the Subscriber agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$300,000,000.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but none of them exceeds 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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THE AGREEMENT

Date:

25 January 2011

Parties

- (1) Issuer : Cordoba, a company incorporated in the British Virgin Islands
- (2) Subscriber : Ideal Principles Limited, a wholly-owned subsidiary of the Company

* *For identification purpose only*

As at the date of this announcement, the Subscriber is owning 15.92% of the issued share capital of Hennabun and Hennabun is owning 17.57% issued share capital of Cordoba. Hence, the Company is effectively owning approximately 2.80% of the issued share capital of Cordoba indirectly. Save for the above and to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Cordoba and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

After the Completion, the Subscriber is entitled to nominate such number of representative(s) to serve on the board of directors of Cordoba in proportion to the shareholding interest of the Subscriber in Cordoba and the minimum number of directors so entitled to be nominated by the Subscriber shall be one.

Assets to be acquired

Immediately after Completion, Cordoba will issue and allot 500,000,000 Cordoba Shares to the Subscriber, representing approximately 21.96% of the existing issued share capital of Cordoba, or approximately 18.01% of the issued share capital of Cordoba as enlarged by the issue of the Subscription Shares, and Cordoba will become an investment of the Company.

Consideration and Payment

The consideration for the Subscription Shares shall be HK\$300,000,000, which shall be paid by the Subscriber to Cordoba on Completion (or such other date as may be agreed between Cordoba and the Subscriber).

The consideration for the Subscription Shares was determined after arm's length negotiations with Cordoba with reference to (i) the unaudited net assets value per share of Cordoba as at 31 October 2010 of HK\$0.76; (ii) the historical performance and future prospects of Cordoba; and (iii) the fact that Cordoba being a private company, the liquidity of its shares may not be as high as other listed securities.

The consideration for the Subscription Shares will be funded by the internal resources of the Group.

Conditions precedent

Completion is conditional on the fulfilment of the following conditions:–

- (i) the Subscriber having completed due diligence review on Cordoba and its business and having notified Cordoba that the due diligence review results are satisfactory; and
- (ii) the passing of the resolutions by the shareholders of the Company to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules (if necessary).

If any of the above conditions is not satisfied on or before 31 January 2011 or such later date as agreed by the Subscriber and Cordoba in writing, then the Agreement will terminate and no party thereto shall have any claim against the other, except in respect of any antecedent breach of the terms hereof.

Completion

Completion shall take place on the second Business Day after the date on which all of above conditions shall have been satisfied or waived (as applicable) by the Subscriber (or such other date and time as the parties to the Agreement may agree).

INFORMATION ON CORDOBA

Cordoba is incorporated in the British Virgin Islands with limited liability and principally engaged in property investment, near to cash investments (such as investment in securities trading and money lending business), and investment holding.

As at the date of this announcement, Cordoba is held as to approximately 32.94% and 8.78% by two private companies respectively, as to approximately 40.71% by a listed company and as to the remaining 17.57% by Hennabun. Upon completion of the Subscription, Cordoba shall be owned as to approximately 27.01% and 7.20% by the two private companies respectively, 33.38% by the aforesaid listed company, 14.40% by Hennabun and 18.01% by the Subscriber.

According to the unaudited management accounts of Cordoba Group for the ten months ended 31 October 2010, Cordoba Group has unaudited consolidated net assets value of approximately HK\$1,268 million as at 31 October 2010. Further financial information of the Cordoba Group is set out as below:

	For the year ended	
	31 December	
	2008	2009
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
	(unaudited)	(unaudited)
Turnover	13	43
(Loss) Profit before taxation	(87)	81
(Loss) Profit after taxation	(98)	77

REASONS AND BENEFITS OF THE SUBSCRIPTION

The Directors believe that the Subscription will enable the Company to enter into the property investment market by leveraging the expertise of Cordoba Group and to seek for investment opportunities through Cordoba Group's business and operation, which the Directors believe will benefit the Group in the longer term. In addition, the Subscription Price of HK\$0.60 each incorporates an approximately 21.05% discount to the unaudited consolidated net assets per Cordoba Share of approximately HK\$0.76 as at 31 October 2010.

The Directors consider that the terms of the Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in the generation and sale of electricity and the production and sale of porcelain insulators and investments in other businesses.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but none of them exceeds 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:–

“Agreement”	the conditional agreement dated 25 January 2011 entered into between Cordoba as issuer and the Subscriber as subscriber in respect of the Subscription
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong
“Company”	Enerchina Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange

“Completion”	completion of the Subscription in accordance with the terms and conditions of the Agreement
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Cordoba”	Cordoba Homes Limited, a company incorporated in the British Virgin Islands with limited liabilities
“Cordoba Group”	Cordoba and its subsidiaries
“Cordoba Shares”	ordinary shares HK\$0.10 each in the capital of Cordoba
“Directors”	the director(s) of the Company, including the independent non-executive Directors
“Group”	the Company and its subsidiaries
“Hennabun”	Hennabun Capital Group Limited, a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Shareholder(s)”	holders of existing shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ideal Principles Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Agreement
“Subscription Price”	HK\$0.60 per Cordoba Share
“Subscription Shares”	500,000,000 Cordoba Shares
“%”	per cent.

By Order of the Board
Enerchina Holdings Limited
Tang Yui Man Francis
Executive Director

Hong Kong, 25 January 2011

Executive Directors

Mr. OU Yaping (*Chairman*)
Mr. CHEN Wei (*Chief Executive Officer*)
Mr. XIANG Ya Bo
Mr. TANG Yui Man Francis

Independent Non-Executive Directors

Mr. LU Yungang
Mr. XIANG Bing
Mr. XIN Luo Lin