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ENERCHINA HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES OF MASCOTTE

The Board is pleased to announce that on 6 July 2011, the Company (through Kenson Investment, a wholly-owned subsidiary of the Company) entered into a Placing Commitment Letter with Chung Nam, pursuant to which Kenson Investment agreed to subscribe up to 500,000,000 Mascotte Shares at the price of HK\$0.40 per Mascotte Share with a total consideration up to HK\$200,000,000.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirements.

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THE PLACING COMMITMENT LETTER

Parties

- (1) Kenson Investment as subscriber

* *for identification purpose only*

- (2) Chung Nam as sub-placing agent. Chung Nam is an indirect wholly-owned subsidiary of Hennabun Capital Group Limited in which the Group had an approximately 16.07% effective interest. To the best of the knowledge of the Directors, the remaining shareholding of Hennabun Capital Group Limited is owned by Freeman Financial Services Limited, Cordoba Homes Limited and other shareholders.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, except as disclosed above, Chung Nam and its ultimate beneficial owners are independent of, and not connected with, the Company and its connected persons.

Subscription of Mascotte Shares

Up to 500,000,000 Mascotte Shares, which will represent approximately 21.69% of the total issued share capital of Mascotte at the date of this announcement.

As the Placing Commitment Letter is made with Chung Nam as a sub-placing agent of Deutsche Bank AG, Hong Kong Branch (“**DB**”) (being the sole placing agent of Mascotte for the conditional placing of up to 5,000,000,000 Mascotte Shares (the “**Mascotte Placing**”), the terms and conditions of which placing were disclosed in Mascotte’s announcements dated 19 January 2011, 11 February 2011, 30 March 2011 and 28 June 2011 respectively and in Mascotte’s circular dated 20 May 2011), Kenson Investment’s subscription of Mascotte Shares is subject to actual allocation at DB’s discretion and the actual number of Mascotte Shares which can be subscribed by, and are to be allotted and issued to, Kenson Investment may be less than 500,000,000.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, Mascotte and its ultimate beneficial owners are independent of, and not connected with, the Company and its connected persons.

Consideration

Up to HK\$200,000,000 (equivalent to HK\$0.40 per Mascotte Share)

The subscription price was arrived at after arm’s length negotiations with reference to (i) the original indicative placing price of HK\$0.40 per Mascotte Share for the Mascotte Placing (as announced by Mascotte on 28 June 2011); (ii) the historical performance of Mascotte and its future prospects; (iii) the prevailing market price of Mascotte as quoted on the Stock Exchange.

The subscription price of HK\$0.40 per Mascotte Share represents:

- (i) a discount of approximately 18.4% to the closing price of HK\$0.490 per Mascotte Share as quoted on the Stock Exchange on the Last Trading Day; and

- (ii) a discount of approximately 18.2% to the average of the closing price of HK\$0.489 per Mascotte Share for the last five consecutive trading days up to and including the Last Trading Day.

Source of funds

The subscription consideration of the Acquisition will be settled by cash in full from the internal resources of the Group.

Completion

Completion of the Acquisition is expected to take place on or around 12 July 2011.

RANKING OF MASCOTTE SHARES

The Mascotte Shares, when allotted and issued, will rank pari passu in all respects with Mascotte Shares in issue.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in investment in the energy industry and investment in financial services, properties and other businesses.

INFORMATION ABOUT MASCOTTE

Mascotte is a company incorporated in Bermuda with limited liability and is listed on the main board of the Stock Exchange (Stock code: 136). The Mascotte group is principally engaged in the trading of investments, loan financing, property investment and the manufacturing of computer, photographic, video, phone and solar powered multi-media bags and accessories.

As stated in Mascotte's announcement of results for the year ended 31 March 2011, Mascotte had audited consolidated net asset value of approximately HK\$756,970,000 as at 31 March 2011.

According to the announcement of results of Mascotte for the year ended 31 March 2011, the net losses before and after taxation for the year ended 31 March 2011 were approximately HK\$240,993,000 and HK\$244,313,000 respectively and the net profits before and after taxation for the year ended 31 March 2010 were approximately HK\$110,507,000 and HK\$108,850,000 respectively.

REASON FOR AND BENEFITS OF THE ACQUISITION

The Directors believe that the Acquisition will enable the Group to hold a strategic investment, through Mascotte's business and operations, in the market of renewable energy related businesses and also other businesses such as trading of investment, loan financing, property investment, manufacturing of computer related products, which the Directors believe will benefit the Group in the longer term.

Upon completion of the Acquisition, on the assumption that 500,000,000 Mascotte Shares are subscribed by Kenson Investment, the Group will be interested in 21.69% of the issued share capital of Mascotte at the date of this announcement and in 6.84% of the issued share capital of Mascotte as enlarged as a result of the Mascotte Placing (assuming that all 5,000,000,000 Mascotte Shares had been placed). The Mascotte Shares will be accounted for as an investment of the Company. The Company may, depending on the then market conditions and prevailing market prices, consider making further investments in Mascotte in the future and seeking for board seat in Mascotte to represent the Company's interests in Mascotte, subject to compliance with the applicable Listing Rules requirements.

The Directors consider that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirements.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“Acquisition”	the acquisition of up to 500,000,000 Mascotte Shares at the subscription price of HK\$0.40 per Mascotte Share
“Board”	the board of Directors
“Chung Nam”	Chung Nam Securities Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out business type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)

“Company”	Enerchina Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kenson Investment”	Kenson Investment Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Last Trading Day”	5 July 2011, being the last day on which the Mascotte Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mascotte”	Mascotte Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 136)
“Mascotte Shares”	ordinary shares of Mascotte with par value of HK\$0.1 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Enerchina Holdings Limited
Ou Yaping
Chairman

Hong Kong, 6 July 2011

As at the date of this announcement, the Board comprises Mr. Ou Yaping (Chairman), Mr. Chen Wei (Chief Executive Officer), Mr. Xiang Ya Bo and Mr. Tang Yui Man Francis as executive Directors and Mr. Lu Yungang, Dr. Xiang Bing and Mr. Xin Luo Lin as independent non-executive Directors.