

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **Enerchina Holdings Limited** (the “Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed “Expert and Consent” in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



Enerchina Holdings Limited

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

Underwriter of the Rights Issue



**ENHANCED 進隆證券
SECURITIES LIMITED**

Shareholders and potential investors of the Company should note the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “TERMINATION OF THE UNDERWRITING AGREEMENT” on pages i to ii and 21 to 22 of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis since Friday, 23 December 2016. Dealings in the Rights Shares in their nil-paid form are expected to take place from Wednesday, 22 February 2017 to Wednesday, 1 March 2017 (both dates inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Wednesday, 22 February 2017 to Wednesday, 1 March 2017 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 6 March 2017. The procedures for application of Rights Shares are set out on pages 14 to 17 of this Prospectus.

* For identification purposes only

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole;
 - (f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, Bermuda, the PRC or other jurisdiction relevant to the Group or any

TERMINATION OF THE UNDERWRITING AGREEMENT

member of the Group and a change in currency conditions) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (3) the Company withdraws the Prospectus (and/or any other documents issued or used in connection with the Rights Issue) or the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination. Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated by the Underwriter or the Company.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

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| First day of dealings in nil-paid Rights Shares | Wednesday, 22 February 2017 |
| Latest time for splitting nil-paid Rights Shares..... | 4:30 p.m. on Friday, 24 February 2017 |
| Last day of dealings in nil-paid Rights Shares | Wednesday, 1 March 2017 |
| Latest time for acceptance and payment for Rights Shares and application for excess Rights Shares..... | 4:00 p.m. on Monday, 6 March 2017 |
| Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional | 4:00 p.m. on Tuesday, 7 March 2017 |
| Announcement of the allotment results | Monday, 13 March 2017 |
| Refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of unsuccessful or partially successful application for excess Rights Shares) and Certificates for fully paid Rights Shares to be despatched on or before | Tuesday, 14 March 2017 |
| Commencement of dealings in fully-paid Rights Shares | 9:00 a.m. on Wednesday, 15 March 2017 |

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the Listing Rules.

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|---------------------------|
| EXPECTED TIMETABLE |
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EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance for the Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

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| “Acceptance Date” | Monday, 6 March 2017 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares) |
| “Acquisition” | the acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the Acquisition Agreement |
| “Acquisition Agreement” | the conditional agreement dated 15 August 2016 entered into by the Purchaser and the Vendor in respect of the Acquisition |
| “acting in concert” | has the meaning ascribed thereto under the Takeovers Code |
| “AGM” | the annual general meeting of the Company held at the Board Room, 28th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Thursday, 19 May 2016 at 11:00 a.m. |
| “Announcement” | the announcement of the Company dated 30 November 2016 in respect of, among other things, the proposed Rights Issue |
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business |
| “Bye-laws” | the bye-laws of the Company |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |

DEFINITIONS

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| “Company” | Enerchina Holdings Limited (Stock Code: 622), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person” | has the meaning ascribed thereto under the Listing Rules |
| “Consideration” | the consideration of HK\$1,295,000,000 payable by the Purchaser for the Sale Shares under the Acquisition Agreement |
| “Deposit” | the deposit for the amount of HK\$95,000,000 satisfied by Zero-Coupon Promissory Note issued by the Purchaser to the Vendor upon signing of the Acquisition Agreement and replaced and superseded by the New Zero-Coupon Promissory Note |
| “Director(s)” | director(s) of the Company |
| “EAF(s)” | the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter |
| “General Mandate” | the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue and deal with up to a maximum of 20% of the aggregate share capital of the Company in issue as at the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “HEC” | HEC Securities Company Limited, a company incorporated in the British Virgin Islands |
| “HEC Acquisition” | the acquisition of 30% of the entire issued share capital of HEC from HEC International pursuant to the acquisition agreement dated 15 December 2016 |
| “HEC Group” | HEC and its subsidiaries |
| “HEC International” | HEC International Group Limited, which is the registered and beneficial owner of the entire issued share capital of HEC |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |

DEFINITIONS

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| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Instrument of Warrants” | the instrument constituting the Warrants executed by the Company on 13 July 2015 |
| “Last Trading Day” | 30 November 2016, being the last trading date the Shares on the Stock Exchange before the release of the Announcement |
| “Latest Practicable Date” | 16 February 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein |
| “Latest Time for Acceptance” | 4:00 p.m. on the Acceptance Date |
| “Latest Time for Termination” | 4:00 p.m. on Monday, 6 March 2017, being the next Business Day following the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter |
| “Listing Committee” | has the meaning ascribed thereto in the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | the Macau Special Administrative Region of the PRC |
| “Main Board” | Main Board of the Stock Exchange operated by the Stock Exchange |
| “Memorandum” | the memorandum of association of the Company |
| “New Zero-Coupon Promissory Note” | a non-interest bearing coupon note maturing on 15 December 2016 which was issued by the Purchaser to the Vendor on 15 November 2016 to replace and supersede the Zero-Coupon Promissory Note |
| “Non-Qualifying Shareholder(s)” | those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Option Shares” | up to 143,599,000 Shares which may be allotted and issued by the Company upon exercise of the 143,599,000 outstanding Share Options |

DEFINITIONS

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| “Overseas Shareholder(s)” | Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong |
| “PAL(s)” | provisional allotment letter(s) for the Rights Issue |
| “Posting Date” | Monday, 20 February 2017, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Overseas Shareholders for information only |
| “PRC” | the People’s Republic of China, which for the purpose of the Prospectus excludes Hong Kong, Macau and Taiwan |
| “Promissory Note A” | 6-month coupon note at 5% interest rate per annum issued by the Purchaser on 8 December 2016 in favour of the Vendor or its nominee(s) pursuant to the Acquisition Agreement |
| “Promissory Note B” | 12-month coupon note at 5% interest rate per annum issued by the Purchaser on 8 December 2016 in favour of the Vendor or its nominee(s) pursuant to the Acquisition Agreement |
| “Promissory Note C” | 18-month coupon note at 5% of interest rate per annum issued by the Purchaser on 8 December 2016 in favour of the Vendor or its nominee(s) pursuant to the Acquisition Agreement |
| “Promissory Notes” | Promissory Note A, Promissory Note B and Promissory Note C |
| “Prospectus” | this prospectus, being the prospectus issued by the Company in relation to the Rights Issue |
| “Prospectus Documents” | the Prospectus, PAL and EAF |
| “Purchaser” | Win Wind Capital Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly owned subsidiary as to 88.22% held by the Company |
| “Qualifying Shareholders” | Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s) |

DEFINITIONS

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| “Record Date” | Thursday, 5 January 2017, being the date for determining entitlements of Shareholders to participate in the Rights Issue |
| “Registrar” | Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the Hong Kong branch share registrar of the Company |
| “Rights Issue” | the proposed offer for subscription of the Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders (other than the Non-Qualifying Shareholders) on the basis of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date as contemplated under the Underwriting Agreement |
| “Rights Share(s)” | 3,596,923,332 Shares to be allotted and issued pursuant to the Rights Issue |
| “Sale Share” | one ordinary share in the Target Company, representing the entire issued share capital of the Target Company |
| “Scheme Mandate Limit” | the maximum number of Shares which may be issued upon exercise of all options to be granted under the existing Share Option Scheme and any other share option scheme(s) of the Company (including the 2002 share option scheme), which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the existing Share Option Scheme or of the renewal of such limit |
| “SFC” | The Securities and Futures Commission of Hong Kong |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of issued Shares |
| “Share Options” | the options to subscribe for new Shares granted under the Share Option Scheme |
| “Share Option Scheme” | the share option scheme adopted by the Company on 17 May 2012 |

DEFINITIONS

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| “Smart Jump Corporation (BVI)” | a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Target Company |
| “Specified Event” | an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which would have rendered any of the warranties of the Company contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | HK\$0.265 per Rights Share |
| “Substantial Shareholder(s)” | has the meaning as ascribed thereto under the Listing Rules |
| “Supplemental Underwriting Agreement” | the supplemental underwriting agreement dated 16 February 2017 entered into between the Company and the Underwriter in relation to the amendment of long stop date of the underwriting arrangement in respect of the Rights Issue |
| “Takeover Code” | The Codes of Takeovers and Mergers and Share Buy-backs |
| “Target Company” | Smart Jump Corporation, a company incorporated in the Republic of the Marshall Islands and a wholly owned subsidiary of the Vendor |
| “Underwriter” | Enhanced Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO |
| “Underwriting Agreement” | the underwriting agreement dated 30 November 2016 and the supplemental underwriting agreement dated 16 February 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue |
| “Underwritten Shares” | 3,596,923,332 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement |
| “Vendor” | Freeman Financial Investment Corporation, a company incorporated in the Cayman Islands and a wholly owned subsidiary of Freeman FinTech Corporation Limited (Stock Code: 279) |

DEFINITIONS

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| “Warrant(s)” | 1,335,950,132 unlisted transferable warrants issued by the Company on 13 July 2015, entitling the holder thereof to subscribe for one new Share at the subscription price of HK\$0.65 per Share (subject to adjustment pursuant to the Instrument of Warrants) at any time during a period of 24 months from the date of issue of the Warrants |
| “Warrant Holder(s)” | holder(s) of the Warrant(s) |
| “Warrant Share(s)” | the new Share(s) to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Warrants |
| “Zero-Coupon Promissory Note” | non-interest bearing coupon note maturing on 14 November 2016 which was issued by the Purchaser to the Vendor upon signing of the Acquisition Agreement |
| “%” or “per cent.” | percentage or per centum |

LETTER FROM THE BOARD



Enerchina Holdings Limited

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

Executive Directors:

Mr. Chen Wei (*Chairman*)
Mr. Chow Chi Wah Vincent
Mr. Sam Nickolas David Hing Cheong
(*Chief Executive Officer*)
Mr. Tang Yui Man Francis

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Cheung Wing Ping
Mr. Chui Kark Ming
Mr. Ma Ka Ki

Principal place of business:

25/F China United Centre
28 Marble Road
North Point
Hong Kong

20 February 2017

To the Shareholders

Dear Sir/Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

INTRODUCTION

On 30 November, 2016, the Board announced that the Company proposed to raise gross proceeds of approximately HK\$953.18 million (before expenses) on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing 3,596,923,332 Rights Shares at the Subscription Price of HK\$0.265 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

The purpose of this Prospectus is to provide you, among others, further details about the Rights Issue.

* For identification purposes only

LETTER FROM THE BOARD

RIGHTS ISSUE

| | | |
|---|---|---|
| Basis of the Rights Issue | : | One (1) Rights Share for every two (2) Shares held on the Record Date |
| Number of Shares in issue as at the Latest Practicable Date | : | 7,193,846,664 Shares |
| Number of Rights Shares | : | 3,596,923,332 Rights Shares (<i>Note</i>) |
| Subscription Price | : | HK\$0.265 per Rights Share with nominal value of HK\$0.01 each |

Note:

As at the Latest Practicable Date:

- (i) The Company has 1,335,950,132 outstanding unlisted Warrants;
- (ii) There are outstanding Share Options to subscribe for up to an aggregate of 143,599,000 Option Shares; and
- (iii) The General Mandate, which represents 1,438,769,332 Shares has not been utilised.

Save as disclosed, as at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. As no issue of other new Shares or no repurchase of Shares on the Record Date, the 3,596,923,332 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the issue of the 3,596,923,332 Rights Shares immediately after completion of the Rights Issue.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

- i. be registered as a member of the Company at the close of business on the Record Date; and
- ii. be a Qualifying Shareholder.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company, as at the Record Date, there were five Overseas Shareholder(s) with registered addresses located in Macau, the PRC, the United Kingdom and New Zealand respectively. The Directors have, in compliance with Rule

LETTER FROM THE BOARD

13.36(2)(a) of the Listing Rules, conducted enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders. Based on the opinion of the Company's legal advisers on the laws of Macau, the PRC and the United Kingdom, the Directors believe that the Prospectus Documents would not be required to be registered under the relevant laws and regulations of these three jurisdictions and be despatched to the Overseas Shareholder(s) with a registered address in these three jurisdictions without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholder(s) with a registered address in Macau, the PRC and the United Kingdom and such Overseas Shareholder, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders. The Company will send the Prospectus Documents to such Qualifying Shareholders.

However, based on the legal opinion provided by the Company's legal adviser on the laws of New Zealand, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholder in New Zealand on account either of the legal restrictions under the laws of such place or the requirements of the relevant regulatory body or stock exchange thereof and having regard the likely costs and time involved if overseas compliance were to be observed. Accordingly, the Overseas Shareholder whose registered address is in New Zealand will be a Non-Qualifying Shareholder and the Rights Issue will not be available to such Overseas Shareholder. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by the Qualifying Shareholders under the EAF(s).

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.265 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

1. a discount of approximately 38.37% to the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on the Last Trading Day;
2. a discount of approximately 38.23% to the average closing price of HK\$0.429 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day;

LETTER FROM THE BOARD

3. a discount of approximately 29.33% to the theoretical ex-right price of approximately HK\$0.375 per Share based on the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on the Last Trading Day; and
4. a discount of approximately 17.18% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares. The Directors consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.257.

Basis of provisional allotment

The basis of the provisional allotment is one Rights Share (in nil-paid form) for every two Shares in issue and held on Record Date, being 3,596,923,332 Rights Shares at a price of HK\$0.265 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

As at the Latest Practicable Date, the Board had not received any information from any of the Shareholders of its intention to take up all or any of the Rights Shares provisionally allotted to it. Furthermore, the Company had not received any undertaking from any Shareholders to subscribe for all or any of the Rights Shares provisionally allotted to them.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, the record date of which is after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s).

LETTER FROM THE BOARD

Arrangements for odd lot trading

In order to alleviate the difficulties arising from the existence of odd lots of Shares arising from the Rights Issue, the Company has appointed the Underwriter to provide a matching service for the sale and purchase of odd lots of Shares at the relevant market price per Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to utilise the service should contact Cecil Chan at (852) 2836 2188, 37/F., Times Tower, No. 393 Jaffe Road, Wanchai, Hong Kong during the period from Wednesday, 15 March 2017 to Tuesday, 28 March 2017, both dates inclusive. Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed.

If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Monday, 6 March 2017. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "ENERCHINA HOLDINGS LIMITED — RIGHTS ISSUE ACCOUNT" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 6 March 2017, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 24 February 2017 with the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying

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completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application monies received.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Tuesday, 14 March 2017.

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Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any Rights Shares provisionally allotted but not accepted and aggregate fractional entitlements.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than 4:00 p.m. on Monday, 6 March 2017. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "ENERCHINA HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT" and crossed "Account Payee Only".

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares at their discretion on a fair and equitable basis on the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of the excess Rights Shares applied for, but no reference will be made to the number of Rights Shares applied for under PALs or the existing number of Shares held by such Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAFs. No preference will be given to topping up odd lots to whole board lots.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on or about Monday, 13 March 2017. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Tuesday, 14 March 2017. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Tuesday, 14 March 2017.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or

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cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected. No receipt will be issued in respect of any application monies received.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk on or before Tuesday, 14 March 2017.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 14 March 2017. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 14 March 2017 by ordinary post to the applicants at their own risk. Successful applicant(s) will receive one share certificate for all the fully-paid Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Wednesday, 15 March 2017.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by

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HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 3,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue and the obligations of the Underwriter as specified under the Underwriting Agreement are conditional upon the following conditions being fulfilled:

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (2) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (3) the despatch of the Prospectus Documents to the Qualifying Shareholders by no later than the Posting Date;
- (4) compliance by the Company with all its obligations under the relevant terms of the Underwriting Agreement having taken place by the times specified;

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- (5) (i) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn; and (ii) no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (6) no material breach of any of the representations, warranties or undertakings of the Company provided under the Underwriting Agreement having come to the knowledge of the Underwriter by the Latest Time for Termination.

If any of the conditions set out in the above paragraphs have not been fulfilled (or waived by the Underwriter (only conditions (4) and (6) can be waived)) in all respects by or at the time and/or date specified therefor (or if no time or date is specified, Friday, 31 March 2017) (or such later date(s) as the Underwriter may agree with the Company) or if the Underwriting Agreement shall be terminated pursuant to the termination clause of the Underwriting Agreement, the obligations of the Underwriter and (save as hereinafter referred to) the Company under the Underwriting Agreement shall *ipso facto* cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement, and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

| | | |
|---|---|--|
| Date | : | 30 November 2016 |
| Issuer | : | The Company |
| Underwriter | : | The Underwriter |
| Total number of Rights Shares being underwritten by the Underwriter | : | The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 3,596,923,332 Rights Shares subject to the terms and conditions of the Underwriting Agreement |
| Commission | : | 3% of the aggregate Subscription Price in respect of the number of the Underwritten Shares |

As at the Latest Practicable Date, the Underwriter does not hold any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as defined under the Listing Rules.

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The Underwriter is a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 6 (advising on Corporate Finance) regulated activities under the SFO. Underwriting is in the ordinary and usual course of business of the Underwriter. As at the Latest Practicable Date, save for the Rights Issue, the Company does not have any arrangement or understanding with the Underwriter in the foreseeable future.

The terms of the Underwriting Agreement (including the underwriting commission) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition.

Save for the Underwriter, the Company did not approach any other underwriters. From December 2015 to November 2016 (up to including the Last Trading Day), the daily trading volume ranged from 1,266,000 to 472,778,294 representing a range from approximately 0.02% to 6.57% of the total issued share capital of the Company. Meanwhile, the Company's turnover to market capitalization per month ranged from approximately 0.07% to 1.52% while that of (over 140) Hong Kong listed companies under the category of financial industry ranged from approximately 3.32% to 5.58%. Accordingly, the Directors considered that the Company had a relatively low trading liquidity. Due to such low trading liquidity of the Shares and the stock market conditions in Hong Kong, the Directors believe that it is difficult for the Company to find any other underwriter(s) to fully underwrite the Rights Issue and are of the view that the terms of the rights issue from any other underwriters are unlikely to be more expedient than the current terms of the Rights Issue. In addition, the Company understands that the Underwriter together with its parent company have abundant financial resources, and a collective net asset value as at 30 June 2016 of over HK\$10.49 billion, which is far above the other local financial services group in the market which range from HK\$1 billion to HK\$3 billion. Accordingly, the Company is of the view that the Underwriter is the most suitable partner for the Rights Issue given the circumstances. Furthermore, the Company considers that the underwriting commission charged by the Underwriter to be relatively competitive and favourable to the Company and in line with practices prevailing in the relevant market.

Having considered (i) the underwriting commission to be charged by the Underwriter is relatively competitive and favourable to the Company; (ii) the experience and financial resources of the Underwriter for underwriting of such securities; and (iii) the Company's perceived difficulties in engaging with underwriters given the size of the issue and the current market environment, who are able to offer terms as competitive as the Underwriter, the Directors (including the independent non-executive Directors) are of the view that the Underwriter is well-suited for the Rights Issue and the Company has made sufficient effort to obtain best available terms for the Rights Issue.

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Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole;
 - (f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, Bermuda, the PRC or other jurisdiction relevant to the Group or any

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member of the Group and a change in currency conditions) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (3) the Company withdraws the Prospectus (and/or any other documents issued or used in connection with the Rights Issue) or the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination. Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated by the Underwriter or the Company.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

PREVIOUS FUND RAISING EXERCISE OF THE GROUP IN THE PAST TWELVE MONTHS

Save for the Rights Issue, there has been no funds raised on any issue of Shares in the 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group principally engages in investment holdings, provision of securities brokerage services, placing and underwriting services, corporate finance advisory services, money lending services, investment advisory and management services, margin financing, trading and investment in securities.

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Reasons for the Rights Issue

In pursuance of its growth strategy, the Group is expanding its existing financial services business. As disclosed in the announcement of the Company dated 15 August 2016, the Group has entered into the Acquisition Agreement to acquire the Sale Share of an investment holding company, which through its subsidiary — Smart Jump Corporation (BVI) principally engages in the trading of securities. The Consideration for such acquisition has been settled by issuing the Vendor or its nominee(s) the New Zero-Coupon Promissory Note and the Promissory Notes.

As at 31 December 2016, the cash and cash equivalent balance and the indebtedness balance of the Group is approximately HK\$1,306 million and HK\$1,715 million respectively. The Group issued the Promissory Notes in the amount of HK\$1,200 million on 8 December 2016, and repaid the New Zero-Coupon Promissory Note in the amount of HK\$95 million on 9 December 2016. Further, the Group paid HK\$525 million for the HEC Acquisition on 15 December 2016. Moreover, the Group needs to maintain cashflow in the following 18 months of approximately HK\$1,035 million from time to time for its general business operation and the repayments of the remaining consideration for the Acquisition.

HEC Acquisition

As disclosed in the Company's announcement dated 15 December 2016, Enerchine Capital Limited ("**Enerchine Capital**"), a wholly-owned subsidiary of the Company, acquired 30% of the equity interests in another financial services group which is a well-established securities and corporate finance house under the brand name of "HEC" at a cash consideration of HK\$525,000,000 ("**HEC Consideration**").

The Basis of HEC Consideration

In addition to the basis mentioned on page 3 of the Company's announcement dated 15 December 2016, the Directors also took into consideration of the following:

- (1) Pursuant to the acquisition agreement, a right of first refusal was granted to Enerchine Capital, such that if the existing shareholder of HEC intends to downsize its shareholding, the Company may increase its shareholding in HEC at its discretion before the same is offered to any other new investor to HEC.

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- (2) Considering the HEC Group principally engages in the provisions of the financial services and one of its subsidiary carries out Type 1 and Type 6 regulated activities under the SFO, the Company researched on other comparable transactions available to the public (i.e. listed companies which purchased licensed corporations and published announcements) and the findings are summarized in the table below.

| Stock code of the purchaser | Target company | License under SFO | Percentage of acquisition | Consideration | Net asset value (unless stated otherwise) | Premium to the net asset value (unless stated otherwise) | Announcement date |
|-----------------------------|---|-------------------|---------------------------|-------------------|---|--|-------------------|
| 1141 | Skyway Securities Investment Limited | Type 1, 4 | 100% | HK\$1,200 million | HK\$432,738,336 | 171% | 11 May 2015 |
| | Skyway Futures Limited | Type 2 | 100% | | HK\$10,181,102 | | |
| 1348 | Crosby Securities Limited | Type 1, 4, 6, 9 | 90% | HK\$180 million | HK\$14.1 million | 1318% | 19 August 2015 |
| 273 | Guoco Capital Limited | Type 1, 4, 6 | 100% | HK\$389,908,569.6 | HK\$216,615,872 | 80% | 25 November 2015 |
| | Guoco Capital Futures Limited | Type 2 | 100% | HK\$48,267,320.4 | HK\$26,815,178 | 80% | |
| 1166 (Note) | Pico Zeman Securities (HK) Limited ("PZ") | Type 1, 4, 9 | 100% | HK\$72 million | HK\$38,835,032 (total asset value) | 85% premium to total asset value | 19 October 2015 |

Note: The net asset value of PZ is unavailable to the public, however the Company believes that PZ's net asset value must be lower than its total asset value. Therefore, the premium of consideration to net asset value will be higher than the calculated percentage with reference to the total asset value.

As shown in the above table, the target companies are all licensed corporations under the SFO, and the consideration of the above transactions had a premium of 80% or more. Further, none of the above licensed corporations have comparable financial resources/net asset value as the HEC Group, being HK\$963,644,000.

Therefore, the Board considers that the HEC Consideration is fair and reasonable to the Company and the Shareholders as a whole.

Profit Guarantee

Representatives of the Board of the Company have engaged in discussions with the management of HEC. After discussions, the representatives came away with the impression that HEC's management is confident about its prospects. In addition, the launch of the Shenzhen-Hong Kong Stock Connect will strengthen the interconnectivity between the mutually complementary stock markets in Hong Kong and the PRC. The Board is of the view that Hong Kong's financial market will benefit from the Shenzhen-Hong Kong Stock Connect which is expected to synergize and contribute to the robust and sustainable growth of the offshore Renminbi ecosystem. In the Company's discussion and negotiations with HEC International, who remains as the controlling shareholder of the HEC Group, believes that the outlook of the HEC Group is increasingly positive. This is the basis and the source of confidence that HEC International decides that the HEC Group can achieve the profit level

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with reference to the profit guarantee. Moreover, the Directors noted that the profit of the HEC Group for period from 1 October to 30 November 2016 was approximately HK\$20.7 million, compared with the net loss of HK\$6.5 million for the period from 1 April to 30 September 2016, representing a dramatic turnaround. The turnaround of profit level of the HEC Group is mainly due to an increase in commission from brokerage business and an increase in interest income from margin clients and a huge drop in operating expenses. Further to the recent improved profitability of the HEC Group, during the discussion with HEC International, the Company was given to understand that the HEC Group will (i) stop any speculative investment activities which will result the HEC Group suffering from trading loss; (ii) impose cost control measures on expenses; (iii) increase margin financing and commission rates; and (iv) conduct marketing activities for business development, from time to time to achieve the guaranteed profit during the period.

Reasons for and Benefits of the HEC Acquisition

With the implementation of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, more PRC institutional and retail investors will be exposed to the Hong Kong stock market which will enhance market liquidity in Hong Kong and broaden the overall investor base. Accordingly, the demand for Hong Kong financial services has been increasing. The Group currently has two SFC licensed corporations namely Win Wind Securities Limited (“WWSL”) and Enerchine Corporate Finance Limited, both being non-wholly owned subsidiaries of the Company with less financial resources than the HEC Group. The Directors consider that the HEC Acquisition is an attractive opportunity to conduct a horizontal acquisition in its financial services business.

When the decision to initiate a horizontal acquisition was established, the Company considered several issues. Among them are (1) a suitable target in terms of size and operations, (2) the availability of such target in the market and willingness of the company to sell, (3) the price of such acquisition and (4) the potential operational integration. When the opportunity for HEC arose, the Board considered that HEC is an appropriate target given that it satisfies all three criteria. With respect to the first criteria, HEC Securities Company Limited has a strong operating history with solid financial figures. As for the second and third criteria, the Company realized that the availability of such target is extremely scarce, given that there is currently strong demand from mainland institutions to acquire these companies for their expansion plans. The acquisition consideration asked by similar institutions have increased substantially, with most institutions asking for a multiple of its net asset value. Finally, on the operational side, WWSL has established a work relationship, on a per deal basis, with the HEC Group. It is anticipated that should the Company wish to make further acquisitions, the integration of operations can be conducted smoothly.

It is prudent to invest in an existing business with a management team having a more extensive list of clients and larger financial resources, rather than using the entire sum on the existing Group which in the Company’s view will require a significant further time to plan, execute, and provide returns to the Company. Win Wind Capital Limited (“WWCL”) is the major arm of the Group’s financial services division and together with its subsidiaries, principally engages in provision of financial services. WWCL’s minority shareholder refused to inject capital to WWCL on a pro rata basis as to its shareholding in WWCL due to the fact that

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being a wholly-owned subsidiary of another listed company on the Stock Exchange will incur a more lengthy and burdensome internal procedures including possible disclosure and compliance requirements under the Listing Rules. Further, if the Company invests in WWCL by way of equity injection, such action will change the shareholding structure of WWSL which will affect the application process of a possible joint venture to the China Securities Regulatory Commission. If the Company invests in WWCL by way of debt financing, it will increase WWCL's total liabilities and deteriorate its gearing ratio which will adversely affect its credit assessment by banks and create more hurdles on obtaining possible banking facilities. Therefore, the Company entered into the HEC Acquisition which, amongst others, may potentially generate an investment return of approximately 6.67% (average annualized guarantee profit/investment cost).

On the other hand, the Company is exploring avenues to dispose of its interests in WWCL or WWSL to the possible joint venture partners and/or other potential investors if such opportunity arises, yet the disposal is not imperative. Nevertheless, as at the Latest Practicable Date, there is no negotiation and/or no agreement between the Company and any of the possible joint venture partners, and/or any other party in this regard. The Company will make further announcement in accordance with the Listing Rules at the proper time if such transaction emerges.

WWSL and the HEC Group have been working together in the Hong Kong securities market in activities such as underwritings for listed companies and other ordinary securities dealing businesses. These activities are by nature considered as normal business activities between market participant firms. Normally, a certain degree of coordination between different departments is needed between two firms for the execution of such transactions. Therefore, as far as the individual firm is concerned, the cooperation for such transactions is limited to the successful execution and the profitability of the individual firms only. By becoming a substantial shareholder of the HEC Group, the Directors believe that the ownership would provide a basis for a higher level of cooperation, in terms of financial and operational expertise and business development. The respective companies have explored various business development opportunities, including the joint development of financial products after the Company became one of the substantial shareholders of the HEC Group. The Company understood from the beginning that various form of resources required to develop and offer such products to suitable clients could be available, if WWSL can join forces with a partner that is connected through an equity interest. The HEC Group has a long operational history with a more extensive list of clients and larger financial resources. The development and offering of such product could achieve economies of scale through both companies' efforts and resources. For example, a common collective investment scheme product would require human capital in its development phase, an initial seed capital (in funds) to start, which may come from both the HEC Group and WWSL jointly, or from approaching existing clients from both companies. It would be a riskier proposition to develop products should the Company decide to work on such initiative alone. Finally, the Company is confident that, since the joint development is considered beneficial to both WWSL and the HEC Group, it is likely to progress regardless of changes in shareholding.

LETTER FROM THE BOARD

Although at this point, the HEC Acquisition only offers a 30% equity interest in the HEC Group, the acquisition agreement thereto provides a first right of refusal to the Company for acquiring the balance of the entire interest in the HEC Group. The Company may consider acquiring the remaining stake and/or conduct a merger between two financial services groups. Besides, the profit guarantee well exceeds the profit requirements for listing on the Main Board of the Stock Exchange, and if the opportunity arises, the HEC Group may be separately listed, such that the Company would be able to liquidate its investment in the HEC Group on the open market. The Company will only conduct such exercise if an impressive gain can be generated from such disposal while it will not adversely affect the management and operations of the Group.

The Directors will implement business plans which fit the then environment and circumstances such that transactions are conducted after due and careful consideration and are in the interest of the Company and the Shareholders as a whole.

As such, the Directors strongly believed that the HEC Acquisition is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Use of Proceeds

The estimated net proceeds of the Rights Issue will be approximately HK\$923.09 million. As the Acquisition was approved at the Company's special general meeting dated 5 December 2016, the net proceeds of the Rights Issue are intended to be applied for partial repayments of the Promissory Notes.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses are approximately HK\$30.10 million to be borne by the Company. Having considered other fund raising alternatives for the Company, such as issuing unlisted notes and the placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Rights Issue allows the Company to strengthen its balance sheet by raising long term equity funding without the need for repayment or the payment of interest. The Board considers that the Rights Issue is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their respective shareholdings in the Company will be diluted.

The Board had considered fund raising by issuing debt security or debt financing but the Board is concerned that any further debt financing or borrowing may worsen the gearing ratio and incur further interest expenses of the Company. It is the intention of the Board to reduce the gearing ratio and interest expenses of the Company to a more favourable level to improve the rate of return of the Company's investment portfolio. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

LETTER FROM THE BOARD

The Board had also considered the placing of new Shares. However, as the placing of new Shares would normally be conducted on a best efforts basis of which the success is not guaranteed and the size of any placing would not be sufficient to meet the funding requirement on this occasion, the placing of new Shares was not considered by the Board when it was considering the Rights Issue and hence did not proceed further. The Board considers that the Rights Issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

The Rights Issue, when compared with other forms of equity fund raising, would offer existing Shareholders the opportunity to participate in the future growth of the Company as it allows existing Shareholders to subscribe for Rights Shares in proportion to their existing shareholdings in the Company without having their relative shareholdings diluted. The Board (including the independent non-executive Directors), having considered the amount of funding required by the Company, the attractiveness of the Rights Issue, considers the current structure and the terms of the Rights Issue to be fair and reasonable and it is in the interest of the Company and the Shareholders as a whole as the Rights Issue would strengthen the capital base of the Company and improve its gearing ratio.

SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue.

| | As at the Latest Practicable Date | | Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full | | Immediately after completion of the Rights Issue assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent | |
|--------------------------------|-----------------------------------|-----------------------|---|-----------------------|--|-----------------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % | Number of Shares | Approximate % |
| Substantial shareholder | | | | | | |
| Mr. Ou Yaping ("Mr. Ou") | | | | | | |
| (Note) | 2,629,140,978 | 36.55% | 3,943,711,467 | 36.55% | 2,629,140,978 | 24.365% |
| Public | | | | | | |
| The Underwriter | | | | | 3,596,923,332 | 33.333% |
| Public Shareholders | <u>4,564,705,686</u> | <u>63.45%</u> | <u>6,847,058,529</u> | <u>63.45%</u> | <u>4,564,705,686</u> | <u>42.302%</u> |
| Total | <u>7,193,846,664</u> | <u>100.00%</u> | <u>10,790,769,996</u> | <u>100.00%</u> | <u>10,790,769,996</u> | <u>100.00%</u> |

Notes:

- (1) 2,629,140,978 Shares represent the aggregate of (i) 2,557,105,618 Shares held by Asia Pacific Promotion Limited ("Asia Pacific"); (ii) 60,075,146 Shares are held by Sinolink Worldwide Holdings Limited ("Sinolink"); and (iii) 11,960,214 Shares representing interests held jointly with another person.

LETTER FROM THE BOARD

- (2) Mr. Ou is the sole shareholder and director of Asia Pacific and through Asia Pacific together with his associates hold a total of 45.11% of the existing issued share capital of Sinolink as at the Latest Practicable Date. Therefore, he is deemed to be interested in all these 2,617,180,764 shares under the SFO.
- (3) The Company has undertaken in the Underwriting Agreement that the Company shall not issue new Shares under the General Mandate and shall not grant new Share Options under the Scheme Mandate Limit from the date of the Underwriting Agreement up to and including the Record Date (both dates inclusive).
- (4) Pursuant to the irrevocable undertakings given by the Warrant Holders, each of the holders of the outstanding Warrants have irrevocably undertaken to the Company and to the Underwriter that they will not exercise the subscription rights attaching to the Warrants or transfer their interests in the Warrants held by them or their nominees on or prior to the Record Date.
- (5) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- (6) For illustrative purpose, immediately after completion of the Rights Issue and assuming no Qualifying Shareholders take up any of the Rights Shares, the shareholding of existing shareholders will decrease to approximately 66.67% from 100.00% which represents dilution effect of approximately 33.33%.
- (7) Pursuant to the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriter is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations:
 - (i) the Underwriter shall ensure (a) that the subscribers for any Underwritten Shares (collectively the “Relevant Subscribers”) are independent of and not connected or acting in concert with the directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates and (b) that no such Relevant Subscriber shall be procured if allotment and issue of any Rights Shares to it would result in it and persons acting in concert with it, when aggregated with the total number of Shares (if any) already held by them, holding more than 29.9% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue;
 - (ii) the Underwriter will procure each of the subscribers and their respective associates will not, together with any party acting in concert with it or its associates, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue;
 - (iii) the Underwriter undertakes that in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, (a) the Underwriter will not and shall procure that each sub-underwriter will not, whether by itself or together with the parties acting in concert with it (if any), own 29.9% or more of the issued share capital of the Company immediately after the Rights Issue; and (b) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.
- (8) The Underwriter have confirmed that they have signed sub-underwriting agreements with various sub-underwriters who have conditionally agreed to offer sub-underwriting participations respectively.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND NO ADJUSTMENT TO THE WARRANTS

As a result of the Rights Issue, it is expected that the exercise price, and/or the number of Shares, of the outstanding Share Options will be adjusted in accordance with the terms and conditions of Share Option Scheme. Other than the outstanding Share Options and the Warrants, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date. The Company will engage the Company's auditors to review and determine the relevant adjustments and make further announcements on the appropriate adjustments and the date(s) they are expected to take effect in due course. There is no adjustment to the Warrants pursuant to the terms and conditions of the Instrument of Warrants.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is respectively set out under "Termination of the Underwriting Agreement" on p.i-ii, and the sub-section headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" in this Letter From the Board). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Friday, 23 December 2016. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 22 February 2017 to Wednesday, 1 March 2017 (both dates inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about their position or any action to be taken is recommended to consult their own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

| |
|------------------------------|
| LETTER FROM THE BOARD |
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ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Prospectus.

Yours faithfully,
By order of the Board
ENERCHINA HOLDINGS LIMITED
Sam Nickolas David Hing Cheong
Chief Executive Officer and Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The audited and unaudited consolidated financial information of the Group for each of the three years ended 31 December 2013, 2014, 2015 and half year ended 30 June 2016 together with the relevant notes to the consolidated financial statements of the Group has been published in the annual reports and interim report per below:

Annual report of the Company for the year ended 31 December 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0416/LTN20140416851.pdf>

Annual report of the Company for the year ended 31 December 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0417/LTN20150417239.pdf>

Annual report of the Company for the year ended 31 December 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0415/LTN20160415376.pdf>

Interim report of the Company for six months ended 30 June 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0919/LTN20160919185.pdf>

The said annual reports and the interim report of the Company are available on the Company's website at <http://www.enerchina.com.hk/> and the website of the Stock Exchange at www.hkexnews.hk.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding borrowings comprising the following:

| | |
|---|----------------------|
| Unsecured and unguaranteed promissory note | HK\$1,200.00 million |
| Unsecured and unguaranteed other borrowings | HK\$250.00 million |
| Secured and unguaranteed other borrowings | HK\$264.60 million |

As at 31 December 2016, the other borrowings amounting to approximately HK\$264.60 million was secured by listed shares held by the Group's subsidiary.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts payable and other payable in the ordinary course of business, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, financial lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, guarantees or other material contingent liabilities as at the close of business on 31 December 2016.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful considerations, are of the opinion that, taking into account the expected completion of the Rights Issue, its presently available financial resources, including funds internally generated from operation and the existing available facilities of the Group, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of this Prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Company published a profit warning announcement on 19 July 2016 where it announced that the Group expected to record a consolidated loss for the six months' period ended 30 June 2016 as compared to a consolidated profit for the corresponding period 2015 mainly due to losses of approximately HK\$680 million on financial assets at fair value through profit and loss from the securities trading and investment as a result of the fluctuating stock market.

The Company published a profit warning announcement on 13 February 2017 where it announced that the Group expected to record a consolidated loss for the year ended 31 December 2016 (the “**Year**”) as compared to a consolidated profit for the year ended 31 December 2015 mainly due to losses of approximately HK\$775 million on financial assets at fair value through profit and loss from the securities trading and investment as a result of the fluctuating stock market. The Company is still in the process of finalising the consolidated results for the Year, the information contained in the profit warning announcement on 13 January 2017 is only based on the preliminary review by the management of the Company of information currently available to the Board, and is not based on information or figures audited or reviewed by the auditors of the Company and is subject to finalisation and adjustments where necessary.

Save as aforesaid losses, the Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published accounts of the Group were made up.

5. BUSINESS AND FINANCIAL REVIEW AND TRADING PROSPECTS

Prospect

The Board is constantly looking for businesses with potentials and positive prospects in order to enrich its business mix and enhance the value of both the Company and its Shareholders.

At the beginning of 2016, the management of the Group took a prudent view over the global economic outlook and has adopted a conservative approach to its investment strategy. However, following the delay in the rate hike in the United States and extended stimulus packages implemented by the European Union, Britain and Japan, there has been a significant improvement in different asset classes since the second quarter of 2016.

Accordingly, the Company strengthened its proprietary trading arm by acquiring the Target Company through its non-wholly owned subsidiary (Details are set out in the Company's circular dated 19 November 2016).

Further, the Company expects that launch of the Shenzhen-Hong Kong Stock Connect will strengthen the interconnectivity between the mutually complementary stock markets in Hong Kong and the PRC. The Board is of the view that Hong Kong's financial market will benefit from the Shenzhen-Hong Kong Stock Connect which is expected to synergise and contribute to the robust and sustainable growth of the offshore Renminbi ecosystem. Accordingly, the Company completed the HEC Acquisition and considered that it provides a chance for the Company to acquire a 100% interest in a long-established securities company through the right of first refusal.

The Directors are of the view that WWSL will focus on the formation of joint-venture securities firm (the "Possible Joint Venture") once it is approved by China Securities Regulatory Commission ("CSRC"). **However, as the application procedure of the Possible Joint Venture and the approval are subject to the absolute discretion of the CSRC, the Possible Joint Venture may or may not proceed and the possible approval timeframe is uncertain. (Please refer to the section "REASON FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" for more details.)**

In addition, monetary policies that will be implemented by the Governments of the United States, PRC, European Union and Japan in order to improve their economic growth, may cause the capital markets to be volatile, as speculations on the timing and magnitude of these policies by market participants can cause severe turbulence in the market. Apart from concerns in international finance, political factors such as uncertainties in the United States elections and political instability observed in the Asia region may increase the volatility of the market even further. Besides, the recent Italian referendum and its aftermath could lead the fluctuation of the Euro and other members of the European Union may potentially follow suit. The Group, therefore, will remain cautious to the enormity of the challenges ahead in 2017.

Business Review

For the six months ended 30 June 2016, the Group's turnover is a negative amount of approximately HK\$672.8 million, compared with the positive turnover of approximately HK\$2,075.5 million over the same period last year. The loss for the six months ended 30 June 2016 amounted to HK\$659.2 million compared with the profit of HK\$1,682.9 million for the same period last year. Basic losses per share is HK9.16 cents compared with earnings per share of HK23.40 cents for the same period last year. The turnaround was mainly attributable to losses on financial assets at fair value through profit or loss.

Brokerage Services

Brokerage commission income generated from provision of securities brokerage services amounted to HK\$0.7 million for the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$2.7 million).

Interest income generated from provision of margin financing services amounted to HK\$1.0 million for the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$4.6 million).

Money Lending

Interest income from provision of money lending services decreased by 48% to HK\$10.5 million for the six months ended 30 June 2016, compared to HK\$20.2 million in the same period last year as fewer loans were granted to customers during the period.

Placing and Underwriting Services

During the period, WWSL, a wholly-owned subsidiary of the Company, has placed and underwritten securities with a value of HK\$332.2 million, and generated placement commission income of HK\$3.0 million for the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$2.0 million). WWSL has executed 4 placements and underwritings of securities on behalf of listed company clients during the period.

Corporate Finance

No corporate finance advisory fees was generated during the period as a result of decrease in customers' portfolio, compared to HK\$3.0 million of income in the same period last year.

Investment advisory

Investment advisory services income decreased by approximately 57% to HK\$1.7 million for the six months ended 30 June 2016, compared to HK\$4.0 million in the same period last year.

Proprietary Trading

The Group engages in proprietary trading of listed securities, listed bonds, and unlisted investment funds, which is classified as financial assets at fair value through profit or loss. The fair value of the portfolio amounted to HK\$1,968.3 million (2015: HK\$2,751.6 million), with a loss on fair value of HK\$689.8 million was recognized, as compared to a gain on fair value of HK\$2,038.9 million in the same period last year. Dividend income decreased by approximately 24% to HK\$2.8 million for the six months ended 30 June 2016, when compared to HK\$3.7 million in the same period last year, which was mainly due to fewer dividends were received by the Group from listed securities and unlisted investment funds.

**UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE
RIGHTS ISSUE**

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2016. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

**A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE
ASSETS**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the "Unaudited Pro Forma Financial Information") has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2016 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 June 2016 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2016, as extracted from the published interim report of the Company for the six months ended 30 June 2016, and is adjusted for the effect of the Rights Issue described below.

| | Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 HK\$'000 (Note 1) | Estimated net proceeds from the Rights Issue HK\$'000 (Note 2) | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 immediately after the completion of the Rights Issue HK\$'000 | Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 before completion of the Rights Issue per Share HK\$ (Note 3) | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 immediately after completion of the Rights Issue per Share HK\$ (Note 4) |
|---|---|--|---|--|--|
| Rights Issue of minimum number of 3,596,923,332 Rights Shares to be issued at subscription price of HK\$0.265 per Rights Share | 4,361,307 | 923,089 | 5,284,396 | 0.606 | 0.490 |
| Rights Issue of maximum number of 3,668,722,832 Rights Shares to be issued at subscription price of HK\$0.265 per Rights Share (Note 2) | 4,361,307 | 941,545 | 5,302,852 | 0.606 | 0.488 |

Notes:

1. The consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 is calculated based on the condensed consolidated net assets attributable to the owners of the Company of approximately HK\$4,365.215 million as at 30 June 2016 (as extracted from the published interim report of the Group for the six months ended 30 June 2016) after deducting intangible assets of the Group of approximately HK\$3.908 million.
2. The estimated net proceeds from the Rights Issue are based on (i) minimum number of 3,596,923,332 Rights Shares to be issued and (ii) maximum number of 3,668,722,832 Rights Shares to be issued as defined in this Prospectus at the subscription price of HK\$0.265 per Rights Share, after deduction of the related expenses of approximately HK\$30.096 million and HK\$30.666 million respectively. The Warrants outstanding as at 30 June 2016 are assumed to be not exercised by the holders in the calculation of the maximum number of Rights Shares to be issued as in the opinion of the directors of the Company, the Warrants are expected to be out of the money prior to the completion of the Rights Issue.

3. The calculation of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2016 per Share is determined based on the consolidated net tangible assets of the Group attributable to owners of the Company of HK\$4,361.307 million divided by the number of Shares in issue of 7,193,846,664 as at 30 June 2016.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the bases that (i) 10,790,769,996 Shares, which represents 7,193,846,664 Shares in issue as at 30 June 2016 and minimum number of 3,596,923,332 Rights Shares to be issued, assuming the Share Options and Warrants outstanding as at 30 June 2016 will not be exercised prior to the completion of the Rights Issue, and (ii) 10,862,569,496 Shares, which represents 7,193,846,664 Shares in issue as at 30 June 2016 and maximum number of 3,668,722,832 Rights Shares to be issued pursuant to the Rights Issue, assuming the Share Options outstanding as at 30 June 2016 will be exercised prior to the completion of the Rights Issue and the Warrants outstanding as at 30 June 2016 will not be exercised prior to the completion of the Rights Issue.
5. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2016.

**B. ASSURANCE REPORT FROM THE REPORTING ACCOUNTANTS ON
UNAUDITED PRO FORMA FINANCIAL INFORMATION**

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Enerchina Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Enerchina Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 and related notes as set out in part A of Appendix II to the prospectus issued by the Company dated 20 February 2017 (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on part A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of 1 rights share for every 2 shares of the Company (“Rights Issue”) on the Group’s net tangible assets attributable to the owners of the Company as at 30 June 2016 as if the Rights Issue had taken place at 30 June 2016. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016, on which a review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the

Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 February 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately following completion of the Rights Issue were as follows:

(i) As at the Latest Practicable Date

| | Nominal value <i>HK\$</i> |
|--|-------------------------------------|
| Number of Shares authorised: | |
| <u>100,000,000,000</u> Shares of HK\$0.01 each | <u>1,000,000,000.00</u> |
| Issued and fully paid: | |
| <u>7,193,846,664</u> Shares of HK\$0.01 each | <u>71,938,466.64</u> |

(ii) Immediately following the completion of the Rights Issue

| | Nominal value <i>HK\$</i> |
|---|-------------------------------------|
| Number of Shares authorised: | |
| <u>100,000,000,000</u> Shares of HK\$0.01 each | <u>1,000,000,000.00</u> |
| Issued and fully paid: | |
| <u>7,193,846,664</u> Shares of HK\$0.01 each in issue as at the Record Date | <u>71,938,466.64</u> |
| <u>3,596,923,332</u> Rights Shares to be allotted and issued under the Rights Issue | <u>35,969,233.32</u> |
| <u>10,790,769,996</u> | <u>107,907,699.96</u> |

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the main board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company has (i) 1,335,950,132 outstanding unlisted Warrants; and (ii) outstanding Share Options to subscribe for up to an aggregate of 143,599,000 Option Shares. Save as the Warrants, the Company has no other outstanding convertible securities, options, or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

| Name of Directors | Capacity | Number in Shares | Interest in underlying Shares pursuant to 2012 Share Option Scheme (Note) | Approximate percentage of shareholding |
|----------------------|------------------|------------------|--|--|
| Chen Wei | Beneficial owner | 13,162,500 | 41,910,000 | 0.76% |
| Tang Yui Man Francis | Beneficial owner | 20,840,625 | 13,970,000 | 0.48% |

As at the Latest Practicable Date, no options over Shares have been granted to the current Directors under the 2012 Share Option Scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Note: A share option scheme was adopted by shareholders of the Company on 17 May 2012 (“Date of Adoption”) (the “2012 Share Option Scheme”), under which the Board may, at its discretion, offer any eligible persons (as hereinafter mentioned) options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years from the date of adoption.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, the Company has 7,193,846,664 Shares in issue. Save as disclosed below, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

| Name of shareholders | Capacity | Number of Shares | Approximate percentage of shareholding |
|---------------------------|------------------|------------------|--|
| Ou Yaping (<i>Note</i>) | Beneficial owner | 2,629,140,978 | 36.55% |

Note: 2,629,140,978 Shares represent the aggregate of (i) 2,557,105,618 Shares held by Asia Pacific Promotion Limited ("Asia Pacific"); (ii) 60,075,146 Shares are held by Sinolink Worldwide Holdings Limited ("Sinolink"); and (iii) 11,960,214 Shares representing interests held jointly with another person.

Mr. Ou Yaping is the sole shareholder and director of Asia Pacific and through Asia Pacific together with his associates hold a total of 45.11% of the existing issued share capital of Sinolink as at the Latest Practicable Date. Therefore, he is deemed to be interested in all these 2,617,180,764 shares under the SFO.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this Prospectus:

| Name | Qualification |
|--------------------------|---|
| Deloitte Touche Tohmatsu | Certified public accountants, Hong Kong |

As at the Latest Practicable Date, the above expert did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

On 16 April 2014, Sinolink Electric Power Company Limited and Goodunited Holdings Limited, the wholly-owned subsidiaries of the Company commenced legal proceedings as plaintiffs by filing a petition with the Shenzhen Municipal Intermediate People's Court of the People's Republic of China, claiming against CNOOC Gas & Power Group as defendant regarding the outstanding payment in the approximate sum of RMB178.5 million (calculated based on the supplementary audit not the final manuscript) being part consideration of the disposal of 100% equity interest in Shenzhen Fuhuade Electric Power Co., Ltd. The trial was heard on 11 September 2016 and judgment has yet to be delivered.

On 28 April 2016, Sinolink Electric Power Company Limited and Goodunited Holdings Limited commenced another legal proceedings as plaintiffs by filing another petition with the Shenzhen Municipal Intermediate People's Court of the People's Republic of China, claiming against CNOOC Gas & Power Group as defendant regarding the outstanding payment in the approximate sum of RMB149 million (calculated based on the supplementary audit not the final manuscript) being another part consideration of the disposal of 100% equity interest in Shenzhen Fuhuade Electric Power Co., Ltd. The trial was heard on 17 October 2016 and judgment has yet to be delivered.

Details of the above outstanding payments were set out in the Group's interim report of 2016, and the Company will update Shareholders and potential investors when the respective judgments are handed down and/or any material developments if necessary.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

1. The Supplemental Agreement;
2. The sale and purchase agreement dated 15 December 2016 between Enerchine Capital Limited (a wholly-owned subsidiary of the Company, as the purchaser) and HEC International Group Limited (as the vendor), in relation to the acquisition of 30% of the issued share capital in HEC Securities Company Limited at a cash consideration of HK\$525 million;
3. The Underwriting Agreement;
4. The Acquisition Agreement;
5. The sale and purchase agreement dated 19 July 2016 between Win Wind Capital Group Limited (an indirectly wholly-owned subsidiary of the Company, as the purchaser) and Freeman United Investments Limited, in relation to the acquisition of the entire share capital in First Call Limited and its subsidiary, Citizens Freeman Money Lending Corporation Limited which wholly owns a Hong Kong money lender licence, at a cash consideration of HK\$28 million;
6. The sale and purchase agreement dated 22 June 2016 between Win Wind Intermediary Financial Services Limited (an indirect wholly-owned subsidiary of the Company, as the vendor) and Thousand More Investments Limited, in relation to the disposal of 100% of the issued share(s) of Wise Union Limited (“Wise Union”), which is the legal and beneficial owner of the allotted and issued shares of Cordoba Homes Limited (“Cordoba”) and Incitatus Limited, at a cash consideration of HK\$50,713,000;
7. The subscription agreement dated 30 March 2016 between Win Wind Capital Limited (“Win Wind” a wholly owned subsidiary of the Company, as the subscriber) and China Opto Holdings Limited, formerly known as “China Optoelectronics Holding Group Co., Limited (“China Opto”) (stock code: 1332), pursuant to which, amongst other things, China Opto (or its nominee(s)) has conditionally agreed to subscribe 13,600,000 new shares of Win Wind, at the consideration of HK\$408,000,000, which shall be settled by the issue of 2,040,000,000 new shares of China Opto upon completion. On 19 July 2016, the subscription agreement was completed that (i) the Company’s interests in Win Wind was diluted to 88.22%; (ii) the Group (including Win Wind) held 2,041,792,350 shares of China Opto, representing 28.58% of the issued share capital of China Opto; and (iii) the HK\$150,000,000 (with interest rate of 2% per annum) convertible redeemable note (the “2% CN”) issued by Win Wind and held by China Opto was redeemed in full;

8. The subscription agreement dated 23 December 2015 between Win Wind and Big Focus Limited (an indirect wholly owned subsidiary of China Opto, as the subscriber) pursuant to which the Company has conditionally agreed to issue and Big Focus Limited has conditionally agreed to subscribe the 2% CN in an aggregate principal amount of HK\$150 million;
9. The sale and purchase agreement dated 31 July 2015 between Gold Glory Limited (an indirect non-wholly owned subsidiary of Freeman Financial Corporation Limited (“Freeman”) (stock code: 279), as the purchaser) and Ample Spring International Limited and Win Wind Resources Limited (indirect wholly owned subsidiaries of the Company) and HEC Capital Limited in relation to the disposal of 100% shareholding in Gain All Investments Limited at a cash consideration of HK\$85 million;
10. The subscription agreement dated 27 July 2015 between Global Mind Investment Limited (an indirect wholly owned subsidiary of the Company, as the subscriber) and Co-Lead Holdings Limited, in relation to the subscription of 310 new shares of Co-Lead Holdings Limited at a cash consideration of HK\$100 million;
11. The subscription agreement dated 2 July 2015 between Enerchine Value Investments Limited (an indirect wholly owned subsidiary of the Company, as a subscriber) and Freewill Holdings Limited (an indirect non-wholly owned subsidiary of Freeman), in relation to the subscription of 38 million new shares of Freewill Holdings Limited at a cash consideration of HK\$209 million;
12. The sale and purchase agreement dated 9 June 2015 between Win Wind Securities Limited, formerly known as “Enerchine Securities Limited” and Enerchine Nominee Limited (indirect wholly owned subsidiaries of the Company, as vendors) and Novelty Green Limited, in relation to the disposal of the 100% of the issued share capital of a wholly owned subsidiary, Enerchine Investment Management Limited, which is a corporation licensed under the Securities and Futures Ordinance to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities at a cash consideration of HK\$10 million;
13. The conditional warrant placing agreement dated 11 May 2015 (and two supplemental agreements dated 20 May 2015 and 15 June 2015 respectively) between the Company and WWSL (a then indirect wholly owned subsidiary of the Company, as the warrant placing agent), pursuant to which the Company agreed to grant and the warrant placing agent agreed to procure not less than six investors (the “Warrant Placees”) in relation to the placing of a total of 1,335,950,132 warrants (the “Warrants”) at the placing price of HK\$0.01 per warrant (the “Warrant Placings”). The Warrants entitle the Warrant Placees to subscribe for in aggregate 1,335,950,132 shares in the Company at the subscription price of HK\$0.65 per warrant share (subject to anti-dilutive adjustment) for a period 24 months after the date of issue of the Warrants;
14. The subscription agreement dated 6 January 2015 between Wise Union (as the subscriber) and Cordoba, in relation to the subscription of 10,790,000 shares of Cordoba, at a cash consideration of HK\$50,713,000; and

15. The conditional agreement dated 24 December 2014 between Win Wind Group Limited, formerly known as “Enerchine Group Limited” (“Win Wind Group”) (an indirect wholly owned subsidiary of the Company, as a purchaser) and China United International Administrative Services Limited, in relation to the acquisition of the entire issued share capital of High Gear Limited which has contractual interest in a yacht by virtue of a sales and purchase agreement, at a cash consideration of Euro 7.1 million (equivalent to approximately HK\$61,202,000).

10. CORPORATION INFORMATION

| | |
|---|---|
| Registered office | Clarendon House 2 Church Street Hamilton HM 11 Bermuda |
| Principal place of business in Hong Kong | 25/F China United Centre 28 Marble Road North Point Hong Kong |
| Authorised representatives in Hong Kong | Sam Nickolas David Hing Cheong Chow Chi Wah Vincent |
| Company secretary | Chow Chi Wah Vincent |
| Underwriter of the Rights Issue | Enhanced Securities Limited 9, 37/F Times Tower 393 Jaffe Road Causeway Bay Hong Kong |
| Legal advisers to the Company | As to Hong Kong Law: Shum & Co., Solicitors Suites 2801-03 & 06 28/F., China United Centre 28 Marble Road North Point Hong Kong As to Bermuda Law: Conyers Dill & Pearman 29th Floor One Exchange Square 8 Connaught Place Central Hong Kong |

| | |
|---|---|
| Auditors and reporting accountants | Deloitte Touche Tohmatsu Certified Public Accountants 35th Floor, One Pacific Place 88 Queensway Hong Kong |
| Principal Share Registrar and Transfer Office of the Company | MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda |
| Share Registrar | Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong |
| Principal bankers | Bank of China Bank of China (Hong Kong) Limited Hang Seng Bank Limited The Hong Kong and Shanghai Banking Corporation Limited |

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Name and address of Executive Directors and Non-executive Directors

| Name | Correspondence Address |
|----------------------------------|---|
| <i>Executive Directors</i> | |
| Mr. Chen Wei (<i>Chairman</i>) | 25/F, China United Centre 28 Marble Road North Point Hong Kong |
| Mr. Chow Chi Wah Vincent | 25/F, China United Centre 28 Marble Road North Point Hong Kong |

| Name | Correspondence Address |
|---|---|
| Mr. Sam Nickolas David Hing Cheong (Chief Executive Officer) | 25/F, China United Centre 28 Marble Road North Point Hong Kong |
| Mr. Tang Yui Man Francis | 25/F, China United Centre 28 Marble Road North Point Hong Kong |
| <i>Independent Non-executive Directors</i> | |
| Mr. Cheung Wing Ping | 25/F, China United Centre 28 Marble Road North Point Hong Kong |
| Mr. Chui Kark Ming | 25/F, China United Centre 28 Marble Road North Point Hong Kong |
| Mr. Ma Ka Ki | 25/F, China United Centre 28 Marble Road North Point Hong Kong |

Executive Directors

Mr. Chen Wei (“Mr. Chen”), aged 55, was appointed as the chief executive officer and an executive director of the Company since May 2007 and ceased to act as chief executive officer and appointed as the chairman of the board of directors and a member of the remuneration committee of the Company in March 2012. He is currently an executive director of Sinolink Worldwide Holdings Limited (“Sinolink”) (Stock Code: 1168), a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. Chen holds a Bachelor of Engineering Management degree from the Beijing Institute of Technology in the People’s Republic of China (the “PRC”). He was previously employed by a number of large organisations and has over 30 years of experience in engineering, business administration, market development and management. Mr. Chen is responsible for the overall business development, management and strategic planning of the Group. Save as disclosed above, Mr. Chen has not held any directorship in other listed public companies in the past three years.

Mr. Chow Chi Wah Vincent (“Mr. Chow”), aged 47, was appointed as an executive director of the Company with effect from 1 June 2016. Mr. Chow was appointed company secretary of the Company since 12 July 2016. He obtained a Master’s degree in Professional Accounting from the Hong Kong Polytechnic University. Mr. Chow is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years’ experience in the finance and accounting fields in Hong Kong. Mr. Chow holds directorship of various wholly-owned subsidiaries of the Company and Mr. Chow has been an independent non-executive

director of Imagi International Holdings Limited (Stock Code: 585), a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 28 January 2016. Mr. Chow was the executive director, company secretary and financial controller of Heritage International Holdings Limited, now renamed China Innovative Finance Group Limited (Stock Code: 412), a company listed on Stock Exchange, for the period from 13 October 2006 to 6 October 2014 and an executive director of Mascotte Holdings Limited, now renamed HengTen Networks Group Limited (Stock Code: 136), a company listed on the Stock Exchange, for the period from 1 November 2014 to 26 October 2015. Save as disclosed above, Mr. Chow has not held any directorship in other listed public companies in the last three years in Hong Kong or overseas.

Mr. Sam Nickolas David Hing Cheong (“Mr. Sam”), aged 35, has been appointed as an executive director, the chief executive officer and a member of the nomination committee of the Company since March 2012. He has been appointed as a member of the remuneration committee of the Company with effect from 15 June 2016. He holds a Bachelor of Laws with Honours and a Bachelor of Arts from the University of Waikato, New Zealand. Mr. Sam is admitted as a solicitor in the jurisdictions of England and Wales, the British Virgin Islands and New Zealand. Mr. Sam is also a consultant of George & Partners, a specialist corporate law firm principally advising on the laws of the British Virgin Islands. He was formerly an executive director of Radford Capital Investment Limited, now renamed Eagle Ride Investment Holdings Limited (Stock Code: 901) a company listed on the Stock Exchange from 30 June 2011 to 15 March 2012, and prior to that appointment, was a lawyer at international law firm Ogier. Before that, Mr. Sam practiced commercial law in New Zealand, and was also previously a regulatory advisor for a government department in New Zealand. Save as disclosed above, Mr. Sam has not held any directorship in other listed public companies in the past three years.

Mr. Tang Yui Man Francis (“Mr. Tang”), aged 54, has been appointed as an executive director of the Company since May 2002. Mr. Tang is also an executive director, the chairman of the board of directors, a member of the nomination committee and a member of the remuneration committee of Sinolink (Stock Code: 1168), a company listed on the Stock Exchange. Mr. Tang holds a Bachelor’s degree in Computer Studies from the University of Victoria in Canada and a Master of Business Administration degree from The City University of New York in the United States. Mr. Tang has numerous years of experience in management, accounting and finance. He is responsible for corporate and financial planning, strategic development and management of the Company. Save as disclosed above, Mr. Tang has not held any directorship in other listed public companies in the past three years.

Independent Non-executive Directors

Mr. Cheung Wing Ping (“Mr. Cheung”), aged 50, has been appointed as an independent non-executive director of the Company, a member of nomination committee and a member and the chairman of audit committee and remuneration committee of the Company since May 2015. He has over 20 years of experience in auditing and accounting fields. He holds a Bachelor’s degree in Accountancy with honours from City University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung is currently

an independent non-executive director of Freeman FinTech Corporation Limited (formerly known as Freeman Financial Corporation Limited) (Stock Code: 279), China Innovative Finance Group Limited (Stock Code: 412) and China Touyan Tech Group Limited (formerly known as China Opto Holdings Limited and China Optoelectronics Holding Group Co., Limited) (Stock Code: 1332) and executive director of Mason Financial Holdings Limited (Stock Code: 273), all of which are publicly listed companies in Hong Kong. Mr. Cheung was formerly an executive director of Radford Capital Investment Limited, now renamed Eagle Ride Investment Holdings Limited (Stock Code: 901) from June 2011 to November 2013 and an independent non-executive director of Mason Financial Holdings Limited (Stock Code: 273) from October 2009 to June 2013, all of which are publicly listed companies in Hong Kong. Save as disclosed above, Mr. Cheung has not held any directorship in other listed public companies in the past three years.

Mr. Chui Kark Ming (“Mr. Chui”), aged 58, has been appointed as an independent non-executive director of the Company, a member of audit committee and remuneration committee and a member and the chairman of nomination committee of the Company since May 2015. He holds a Master of Laws degree from the University of London and a Master of Economic Law degree from the Renmin University of China. Mr. Chui is also a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Mr. Chui has over 20 years of experience in accounting, financial management and company secretarial works gained from various listed companies in Hong Kong. Mr. Chui has not held any directorship in listed public companies in the past three years.

Mr. Ma Ka Ki (“Mr. Ma”), aged 37, is an independent non-executive director of the Company with effect from 1 June 2016. He holds a Bachelor’s degree in Accounting and Information System with merit from the University of New South Wales, Australia. Mr. Ma is a member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. He is also a member of both the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He has over 10 years of experience in auditing and accounting sectors and has extensive experience in financial and corporate secretarial services. Mr. Ma is currently a director of a private investment company, which is principally engaged in securities investment in Hong Kong and the United States. Previously, he was also a director of a sizable money lender from 2013 to 2015 and supervised the whole money lending business. Save as disclosed above, Mr. Ma has not held any directorship in listed public companies in the past three years.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Chow Chi Wah Vincent, who is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The English text of this prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$30.10 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the paragraph headed “Consent of expert” in this Appendix, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours up to and including the 14th day following the date hereof:

- a) the Memorandum and the Bye-laws;
- b) the annual reports of the Company for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 respectively and the interim report of the Company for the six months ended 30 June 2016;
- c) the letter on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu set out in appendix II to this Prospectus;
- d) the material contracts referred to in this Appendix;
- e) the written consent given by Deloitte Touche Tohmatsu referred to this Appendix;
- f) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this Appendix; and
- g) this Prospectus.