ENERCHINA HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

2009 Final Results Announcement

Financial Highlights:
For the year ended 31 December 2009

- Total turnover was HK$752.3 million
- Loss attributable to owners of the Company was HK$38.3 million
- Loss per share was HK0.57 cents

The board of directors (the "Board") of Enerchina Holdings Limited (the "Company") announced the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2009.

* for identification purpose only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTES	**2009** *HK$'000* *(audited)*	**2008** *HK$'000* *(audited)*
Turnover	3	752,297	1,016,532
Cost of sales		(868,459)	(998,526)
Gross (loss) profit		(116,162)	18,006
Other income	4	26,420	62,959
Administrative expenses		(51,227)	(54,112)
Other expenses		(2,357)	(409)
Net gains (losses) on investments held for trading		83,481	(92,404)
Share of results of an associate		75,792	57,526
Finance costs	5	(54,268)	(69,550)
Impairment loss recognised in respect of goodwill		—	(316,580)
Loss for the year	6	(38,321)	(394,564)
Other comprehensive income (expense)			
Share of other comprehensive income of an associate		1,169	63,497
Exchange differences arising on translation		775	49,385
Exchange reserve realised on deemed partial disposal of an associate		(41)	(74)
Other comprehensive income for the year		1,903	112,808
Total comprehensive expense for the year		(36,418)	(281,756)
Loss for the year attributable to:			
Owners of the Company		(38,279)	(394,497)
Minority interests		(42)	(67)
		(38,321)	(394,564)
Total comprehensive expense attributable to:			
Owners of the Company		(36,376)	(281,722)
Minority interests		(42)	(34)
		(36,418)	(281,756)
		HK cents	*HK cents* *(restated)*
Loss per share	9		
- basic		(0.57)	(6.14)
- diluted		(0.57)	(6.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	NOTES	**2009** *HK$'000* *(audited)*	**2008** *HK$'000* *(audited)*
Non-current assets			
Property, plant and equipment		1,390,625	1,480,531
Prepaid lease payments		42,791	43,979
Goodwill		—	—
Interest in an associate		2,426,581	2,355,532
Available-for-sale investments		78,000	24
Other receivable		—	77,976
		3,937,997	3,958,042
Current assets			
Inventories		92,901	103,946
Prepaid lease payments		1,238	1,237
Trade and other receivables, deposits and prepayments	10	152,136	136,812
Investments held for trading		148,834	50,452
Pledged bank deposits		47,673	23,810
Bank balances and cash		192,020	160,155
		634,802	476,412
Current liabilities			
Trade, notes and other payables	11	441,418	304,529
Taxation payable		8,922	8,922
Borrowings - amount due within one year		466,915	477,835
		917,255	791,286
Net current liabilities		(282,453)	(314,874)
Total assets less current liabilities		3,655,544	3,643,168
Non-current liabilities			
Borrowings - amount due after one year		143,121	169,473
Net assets		3,512,423	3,473,695
Capital and reserves			
Share capital		71,897	47,931
Reserves		3,440,052	3,425,248
Equity attributable to owners of the Company		3,511,949	3,473,179
Minority interests		474	516
Total equity		3,512,423	3,473,695

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars ("HKD") while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting HKD as its presentation currency is because the Company is a public company with its shares listed on the Stock Exchange and most of its investors are located in Hong Kong.

The principal activities of the Group are supply of electricity.

At 31 December 2009, the Group had net current liabilities of approximately HK$282 million. The Group's liabilities as at 31 December 2009 included bank loans of approximately HK$467 million that are repayable within twelve months from the end of the reporting period. Subsequent to the end of the reporting period, certain bank loans have been renewed and additional banking facilities have been obtained. The directors of the Company are of the opinion that, taking into account of the financial resources available, the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) - INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) - INT 13	Customer loyalty programmes
HK(IFRIC) - INT 15	Agreements for the construction of real estate
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) - INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see note 3).

Improving disclosures about financial instruments (Amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1 January 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods.

3. TURNOVER AND SEGMENT INFORMATION

Turnover

Turnover represents revenue arising on supply of electricity for the year.

Segment information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of the measurement of segment profit or loss.

The Group determines its operating segment and measurement of segment profit based on the internal reports to Chief Executive Officer, the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment. The Group is primarily engaged in the supply of electricity and it is determined that the Group has only one operating segment.

Segment revenue and results

	Year ended 31 December 2009		Year ended 31 December 2008	
	Electricity supplies	**Total**	**Electricity supplies**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	752,297	752,297	1,016,532	1,016,532
Segment result	(140,338)	(140,338)	(322,431)	(322,431)
Other income		26,420		62,529
Central administration expenses		(28,842)		(30,664)
Finance costs		(54,268)		(69,550)
Net gains (losses) on investments held for trading		83,481		(92,404)
(Loss) gain on deemed disposal arising from dilution of interest in an associate		(566)		430
Share of results of an associate		75,792		57,526
Loss for the year		(38,321)		(394,564)

4. OTHER INCOME

Other income mainly comprised of:

	2009 *HK$'000*	2008 *HK$'000*
Interest income on:		
- bank deposits	1,183	4,211
- others	1,384	16
Total interest income	2,567	4,227
Dividend income		
- listed	438	570
- unlisted	2,463	14,189
	2,901	14,759
Bad debts recovered (Note)	19,175	—
Insurance recovery of damages and losses incurred in prior years as a result of breakdown of property, plant and equipment	—	29,230
Gain on disposal of subsidiary	1,392	433
Gain on deemed disposal arising from dilution of interest in an associate	—	430

Note: The amount represents the recovery of bad debts which were written off in prior years. During the year, the Group entered into a settlement agreement with the relevant parties and a sum of HK$19,175,000 was repaid to the Group accordingly.

5. FINANCE COSTS

	2009 *HK$'000*	2008 *HK$'000*
Interest on bank and other borrowings wholly repayable within five years	54,268	69,550

6. LOSS FOR THE YEAR

	2009 *HK$'000*	2008 *HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	85,770	96,740
Release of prepaid lease payments	1,238	1,226

7. TAXATION

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of most PRC subsidiaries, except for those described below, is 20% (2008: 18%) for the year ended 31 December 2009.

Pursuant to relevant laws and regulations in the PRC, certain of the Group's subsidiaries operating in the PRC are entitled to an exemption from PRC Enterprise Income Tax for the first two years commencing from first profit making year of operations and thereafter, the subsidiaries are entitled to a 50% relief from PRC Enterprise Income Tax for the following three years. The reduced tax rate for these subsidiaries in 2009 is 10% (2008: 9%). These tax incentives will be expired by the year 2010. In addition, the subsidiaries are entitled to a tax benefit ("Tax Benefit"), which is calculated as 40% of the current year's purchase of PRC produced plant and equipment for production use. The portion of the Tax Benefit that is not utilised in the current year can be carried forward for future application for a period of not more than seven years.

No PRC Enterprise Income Tax has been provided for both years after taking these tax incentives into account.

8. DIVIDENDS

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2008: nil).

9. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Loss for the purpose of basic loss for the year attributable to owner of the Company	(38,279)	(394,497)

	2009	2008
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	6,723,214,442	6,422,759,060

On 10 August 2009, the Company announced an open offer ("Open Offer") of 2,396,551,888 Open Offer shares in the proportion of one Open Offer share for every two existing shares at HK$0.03. The number of shares for the purpose of calculating basic loss per share for the year ended 31 December 2009 and for the year ended 31 December 2008 has been adjusted to reflect the Open Offer of shares.

The computation of diluted loss per share has not assumed the exercise of the Company's options as the exercise price was higher than the average market price of shares for both years.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	65,947	58,163
Other receivables, deposits and prepayments	86,189	78,649
	152,136	136,812

The Group allows an average credit period ranging from 0 to 180 days to its trade customers. The following is an aged analysis of trade receivables, presented based on the invoice date of the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
0 to 90 days	65,947	58,163

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS - continued

Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality. The Group does not hold any collateral over these balances. There are no balances included in trade and other receivables which have been past due.

The Group has concentration of credit risk from the sale of electricity supplies to government department in Shenzhen, PRC, the sole customer, which the management does not expect material credit risk from the balance due.

11. TRADE, NOTES AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	392,812	248,551
Other payables and accrued charges	48,606	55,978
	441,418	304,529

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
Within 90 days	387,949	245,096
Between 91 - 180 days	3,723	1,378
Between 181 - 360 days	—	—
Over 360 days	1,140	2,077
	392,812	248,551

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2009, the Group recorded a turnover of HK$752.3 million, representing a decrease of 26% as compared to the same period last year. Gross loss amounted to HK$116.2 million for the year ended 31 December 2009, compared with the gross profit of HK$18.0 million recorded for the year ended 31 December 2008. The setback was mainly due to delays in the receipt of subsidies for fuel cost and the imposed fuel tax, which increased the Group's production cost for the year.

The Group's audited consolidated loss attributable to owners of the Company for the year ended 31 December 2009 amounted to HK$38.3 million, representing a decrease of approximately HK$356.2 million compared with the audited consolidated loss attributable to owners of the Company of HK$394.5 million for the year ended 31 December 2008.

Overview of Electricity Generation Business

During the year, the Group's on-grid electricity generation amounted to 1,036 million kWh, representing a decline of 29% as compared to 1,458 million kWh over 2008. In the first half of 2009, with the continuous impact brought by the global economic crisis, power demand decreased significantly. Although demand picked up during the second half of the year, demand in the entire 2009 remained weak. As a results, taking into account exchange difference between Renminbi ("RMB") and Hong Kong Dollar ("HKD"), the turnover of on-grid electricity dropped by 26% to HK$752.3 million.

Gas turbine power plants are designed to complement the peak running capacity of the main power grid. In the circumstances that the demand for electricity rises to overwhelming levels, the power plants can take up some basic tasks of electricity generation for the main power grid. At such times, the power plants operate for relatively longer hours, which resulted in a higher amount of electricity generated for the year. Conversely, when electricity demand slows down, the power plants will have to bear the brunt as they can only undertake the peak load of the main power grid. Their operating hours will be relatively shorter, and annual electricity generation will be significantly lower. In 2009, there was significant under-demand of electricity in the first quarter but the situation was relatively better in the second and third quarters.

Direct operating expenses attributable to electricity supplies decreased by 13% to HK$868.5 million. During the year, the total fuel cost decreased by 13% to HK$747.3 million. Notwithstanding the drop in fuel cost as compared with the same period last year, the tax imposed on fuel oil by the PRC Government resulted in a higher production cost of approximately HK$147.8 million. Accordingly, the power generation business for the year recorded a gross loss of HK$116.2 million.

The consolidated loss for the year attributable to the owners of the Company for the year ended 31 December 2009 amounted to HK$38.3 million as compared to the consolidated loss of HK$394.5 million in 2008. This was mainly the results of (i) the one-off impairment of goodwill associated with the acquisition of electricity generation business in prior years, which amounted to HK$316.6 million being recorded in 2008; (ii) net gains on investments held for trading of HK$83.5 million as compared with the net losses of HK$92.4 million for the same period last year; and (iii) increase of HK$118.0 million in 2009 in fuel costs due to the increased fuel consumption tax.

Overview of Gas Fuel Business through its Major Associate, Towngas China Company Limited ("Towngas China")

For the year ended 31 December 2009, Towngas China's piped gas business booked a turnover from continuing operations of HK$2,025 million, an increase of 22.2% when compared to 2008. Earnings before interest, taxation, depreciation and amortisation ("EBITDA") was HK$725 million, an increase of approximately 7.1% from 2008. Profit after taxation attributable to shareholders of Towngas China amounted to HK$265 million, an increase of 31.0% when compared to last year. During the year, Towngas China focused its resources on developing its city piped gas business and gas consumptions and enhanced its profitability.

FINANCIAL POSITION

The Group's total borrowings decreased from HK$647.3 million as at 31 December 2008 to HK$610.0 million as at 31 December 2009. The bank borrowings as at 31 December 2009 were bank loan used to finance the expansion of the power plant in Shenzhen. The Group's total net interest-bearing debt to equity was 11.9% as at 31 December 2009.

Total assets pledged in securing these loans have a net book value of HK$951.6 million as at 31 December 2009. All the bank borrowings of the Group are mainly at floating rates and denominated in both RMB and USD. The Group's operation is mainly carried out in the PRC and substantial receipts and payments in relation to the operations are denominated in RMB. No financial instruments were used for hedging purpose. The Board will continue to evaluate and monitor the potential impact of the appreciation of RMB to the Group's business and manage the risks of using different financial instruments.

The Group's cash and cash equivalents and pledged bank deposits amounted to HK$192.0 million and HK$47.7 million, respectively, as at 31 December 2009 and are mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 31 December 2009, the Group has capital commitments in respect of the acquisition of property, plant and equipment not provided in the financial statements amounting to HK$4.9 million.

OPEN OFFER

In August 2009, the Company issued 2,396,551,888 new shares on the basis of one offer share for every two existing shares held on 15 July 2009 at the subscription price of HK$0.03 per offer share. The net proceeds of the open offer amounted to approximately HK$68 million, which would be used by the Group as general working capital.

PROSPECTS

The Board continues to pursue investment opportunities with good strategic value in the energy and other sectors in order to enhance the shareholder value of the Company.

Electricity Generation Business

Power shortage and environmental deterioration are major global issues. As such, the PRC government has pledged a number of policies and national targets to save power and protect the environment, pursuant to which power plants that use heavy oil fuel are placed below hydropower plants, nuclear power plants, geothermal, natural gas and coal power plants in terms of priority of procurement. Recognizing the unfavourable economic conditions in current times, the local governments call for optimizing the allocation of power resources on the basis that a certain amount of electricity should be generated by local units to sustain their operation.

In implementing the environmental power generation system, the PRC has made purchases of natural gas from many sources and these orders are now commencing deliveries. In view of this and together with the commencement of the Second West-East Natural Gas Pipeline project, natural gas has gradually become a major economical energy source in the PRC. The Group is striving for an increase in the proportion of natural gas supply for its electricity generation and continues to negotiate with the supplier to secure long-term contracts.

We will continue to strengthen our current position in the natural gas electricity generation sector by planning to convert the remaining 235MW installed capacity generating unit into a gas-fired plant in a timely manner and maximizing our operational efficiency. The Group believes that with the improvement in productivity and efficiency, and the anticipated reduction in operating costs following its natural gas conversion plan, the Group will become more competitive in the industry.

Gas Fuel Business through its Major Associate, Towngas China

In 2010, Towngas China will focus its work on developing new investments, Towngas China will leverage on the relative advantage it enjoys, from the large number of its subsidiaries and their diverse distribution across regions close to the West-to-East Pipeline and the Sichuan-to-East Pipeline, and the coastal liquefied natural gas receiving terminals. Based on this competitive edge, it will maximize potential of its existing investment projects, in an endeavor to explore new markets.

In order to strengthen the competitiveness of its existing projects, Towngas China will draw on the robust strengths of Hong Kong & China Gas (China) Limited ("HKCG"). It will implement an investment strategy to achieve economic efficiency. With the adoption of a corporate culture approach, continual efforts will be made to upgrade the caliber of Towngas China's employees, in the areas of service quality, gas supply safety and market developments. Collectively, these initiatives will not only boost Towngas China's profitability but also establish a sustainable competitive edge for its employees and Towngas China, and secure a leading industry position for Towngas China, amid the rapid future developments propelled by diversified natural gas sources in China's city gas sector.

In 2009, Towngas China acquired a number of new projects in Sichuan, Shandong, Anhui, Jiangxi and Guangdong Provinces respectively, while engaging in proactive and careful market expansion by signing an agreement in February 2010 for investment and establishment of a piped gas project in the new industrial district of Anshan City, Liaoning Province.

In mid-March 2010, as announced by Towngas China, it entered into an agreement with HKCG's subsidiary (as vendor) to acquire six piped city-gas projects in the Liaoning and Zhejiang provinces with the consideration to be settled by Towngas China's allotment and issue of consideration shares to the vendor. An extraordinary general meeting of Towngas China (EGM) will be held on 29 April 2010 for approving the agreement and the transactions contemplated thereunder, including the whitewash waiver. Circular dated 7 April 2010 together with the notice of the EGM were despatched to shareholders on 7 April 2010 by Towngas China. Having considered the circular and the recommendations therein, it is the Company's current intention, in respect of its shareholdings in Towngas China, to vote in favour of the resolutions proposed at the EGM.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2009 (2008: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2009, the Group employed approximately 158 full time employees. The Group recognizes the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. In addition, share options may be granted to certain eligible directors and employees of the Group in accordance with the terms of the approved share option scheme adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2009.

CORPORATE GOVERNANCE

The Company has adopted all the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as its own code on corporate governance practices.

During the year, the Company has complied with the code provisions as set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 December 2009, all Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has an audit committee ("Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors, namely, Mr. Lu Yungang, Dr. Xiang Bing and Mr. Xin Luo Lin. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the year ended 31 December 2009 had been audited by the Company's auditor, Deloitte Touche Tohmatsu, and had been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution during the year and also to give my sincere gratitude to all our shareholders for their continual support all these years.

By Order of the Board
Enerchina Holdings Limited
Ou Yaping
Chairman

Hong Kong, 8 April 2010

As at the date of this announcement, the Board comprises Mr. OU Yaping (Chairman), Mr. CHEN Wei (Chief Executive Officer), Mr. TANG Yui Man Francis, Mr. XIANG Ya Bo as Executive Directors and Mr. SUN Qiang Chang (Non-executive Vice Chairman) as Non-executive Director and Mr. LU Yungang, Dr. XIANG Bing and Mr. XIN Luo Lin as Independent Non-executive Directors.