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ENERCHINA HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES OF HENNABUN CAPITAL GROUP LIMITED

The Board is pleased to announce that on 1 November 2010, the Subscriber, a wholly-owned subsidiary of the Company, and Hennabun entered into the Agreement pursuant to which Hennabun agreed to issue and the Subscriber agreed to subscribe for the Subscription Shares at the Subscription Price (i.e. at the aggregate Subscription Price of approximately HK\$200,000,000).

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

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* *for identification purpose only*

THE AGREEMENT

Date

1 November 2010

Parties

- (1) Issuer: Hennabun Capital Group Limited, a subsidiary of Freeman Corporation (stock code: 279)
- (2) Subscriber: Ideal Principles Limited, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hennabun and its ultimate holding company, Freeman Corporation, are both Independent Third Parties.

Assets to be acquired

The Subscription Shares. Immediately after Completion, Hennabun will issue and allot 33,333,333 Hennabun Shares to the Subscriber, representing approximately 24.51% of the existing issued share capital of Hennabun, or approximately 19.69% of the issued share capital of Hennabun as enlarged by the issue of the Subscription Shares, and Hennabun will become an investment of the Company.

Consideration and Payment

The consideration for the Subscription Shares shall be HK\$6 per Subscription Share (i.e. at an aggregate Subscription Price of approximately HK\$200,000,000), which shall be paid by the Subscriber to Hennabun on or before 15 November 2010 (or such other date as may be agreed between Hennabun and the Subscriber).

The consideration for the Subscription Shares was determined after arm's length negotiations with Hennabun having regard to (i) the audited net assets value per share of Hennabun as at 31 December 2009; (ii) the unaudited net assets value per share of Hennabun as at 30 June 2010; and (iii) the business prospect of the Hennabun Group.

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

Conditions Precedent

Completion is conditional on the fulfilment of the following conditions:

- (1) the passing by the shareholders of Freeman Corporation of resolutions to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (2) the Subscriber having completed financial and legal due diligence review on Hennabun and its business and having notified Hennabun that the due diligence results are satisfactory provided that such notification shall not prejudice in any manner whatsoever any of the Subscriber's right in respect of a claim pursuant to the warranties, representations and the undertakings given by Hennabun under the Agreement; and
- (3) all other consents or approval of any relevant government authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the Subscription and the issue of Subscription Shares hereunder having been obtained (including but not limited to the approval of the Securities and Futures Commission under Part V of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) for any change in "substantial shareholder" of the relevant member(s) of the Hennabun Group, if required.

If any of the above conditions is not satisfied on or before 31 March 2011 or such later date as agreed by the Subscriber and Hennabun in writing, then the Agreement will terminate and Hennabun shall forthwith return to the Subscriber any aggregate Subscription Price paid (without any interest) and no party thereto shall have any claim against the other, except in respect of any antecedent breach of the terms hereof.

Completion

Completion will take place on the Completion Date after the above conditions have been fulfilled.

INFORMATION ON THE HENNABUN GROUP

Hennabun is a limited company incorporated under the laws of the British Virgin Islands and an investment holding company. Hennabun Group is principally engaged in brokerage business, securities brokerage, margin financing, investment advisory and investment holding. As at the date of this announcement, Hennabun has an authorised share capital of US\$500,000,000 divided into 5,000,000,000 shares of US\$0.10 each, and an issued share capital of US\$13,599,633 divided into 135,996,333 shares of US\$0.10 each.

As at the date of this announcement, Hennabun is held as to approximately 51.93% by FFSL (a wholly owned subsidiary of Freeman Corporation), as to approximately 41.36% by Equity Spin and as to the remaining 6.71% by the Other Shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Equity Spin and the Other Shareholders is an Independent Third Party. Immediately upon Completion, the shareholding of

FFSL, which owns a total of 70,621,333 Hennabun Shares, will be reduced from approximately 51.93% to approximately 41.71% of the issued share capital of Hennabun, and the shareholding of Equity Spin and Other Shareholders will also be decreased proportionately. After Completion, Hennabun shall be owned as to approximately 41.71%, 33.22%, 19.69% and 5.38% by FFSL, Equity Spin, the Subscriber and Other Shareholders, respectively.

As a result of the dilution of the shareholding interests following the Completion, Freeman Corporation will cease to hold more than 50% of the issued share capital of Hennabun, resulting in a deemed disposal of a subsidiary of Freeman Corporation, and which constitutes a notifiable transaction for Freeman Corporation under the Listing Rules.

According to the unaudited management accounts of Hennabun for the period ended 30 June 2010, Hennabun Group has unaudited consolidated net assets of approximately HK\$1,158.9 million as at 30 June 2010. Further financial information of the Hennabun Group is set out as below:

	For the year ended 31 December	
	2008	2009
	<i>(HK\$' million)</i>	<i>(HK\$' million)</i>
	(audited)	(audited)
Turnover	73.5	134.1
Net profit / (loss) before taxation	(79.7)	(59.2)
Net profit / (loss) after taxation	(75.5)	(59.2)

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors believe that the Subscription will enable the Company to hold a strategic investment into the market of the securities and investment business and to seek out investment opportunities through Hennabun's business and operation, which the Directors believe will benefit the Group in the longer term.

The Directors, including the independent non-executive Directors, consider that the terms of the Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Company is principally engaged in investment holding. The Group is principally engaged in electricity generation and sale of electricity.

IMPLICATIONS UNDER THE LISTING RULES

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

As mentioned above, the Subscription constitutes a deemed disposal of a subsidiary of Freeman Corporation and therefore a notifiable transaction for Freeman Corporation under the Listing Rules and is expected to be subject to shareholders' approval of Freeman Corporation.

DEFINITIONS

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

“Agreement”	the subscription agreement dated 1 November 2010 and entered into between Hennabun as issuer and the Subscriber as subscriber in respect of the Subscription
“Board”	the board of Directors
“Company”	Enerchina Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Agreement
“Completion Date”	the second business day after all the conditions have been fulfilled or such other date as may be agreed by the Subscriber and Hennabun
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Equity Spin”	Equity Spin Investments Limited, a company incorporated under the British Virgin Islands
“Freeman Corporation”	Freeman Corporation Limited, a company incorporated in the Cayman Islands (stock code: 279)
“FFSL”	Freeman Financial Services Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of Freeman Corporation
“Group”	the Company and its subsidiaries
“Hennabun”	Hennabun Capital Group Limited, a company incorporated in the British Virgin Islands
“Hennabun Group”	Hennabun together with its subsidiaries
“Hennabun Shares”	ordinary shares US\$0.10 each in the capital of Hennabun
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Shareholders”	the existing shareholders of Hennabun, other than FFSL and Equity Spin
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ideal Principles Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Agreement
“Subscription Price”	HK\$6 per Hennabun Share
“Subscription Shares”	33,333,333 Hennabun Shares
“%”	per cent.

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

Hong Kong, 1 November 2010

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