Enerchina Holdings Limited
威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the "Board") of Enerchina Holdings Limited (the "Company") announced the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 as follow:

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended	
		30.6.2015	30.6.2014
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
			(Restated)
Turnover			
Revenue from financial services		**16,356**	18,445
Revenue from money lending		**20,227**	8,001
Gains on financial assets at fair value through profit or loss		**2,038,945**	355,168
		2,075,528	381,614
Continuing operations			
Revenue	*3*	**36,583**	26,446
Other income	*4*	**22,816**	25,542
Other gains and losses	*7*	**4,318**	(9,314)
Gains on financial assets at fair value through profit or loss	*3*	**2,038,945**	355,168
Depreciation of property, plant and equipment		**(5,345)**	(3,716)
Employee benefits expenses		**(17,362)**	(11,705)
Other expenses		**(59,855)**	(22,191)
Share of results of an associate		**(2,844)**	(218)
Finance costs	*5*	**(15,129)**	(212)
Profit before taxation		**2,002,127**	359,800
Taxation	*6*	**(319,185)**	(27,660)
Profit for the period from continuing operations	*7*	**1,682,942**	332,140
Discontinued operation			
Loss for the period from discontinued operation	*8*	**–**	(4,652)
Profit for the period		**1,682,942**	327,488
Other comprehensive income (expense) for the period			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**–**	(578)
Item that may be subsequently reclassified to profit or loss:			
Fair value change in available-for-sale investments		**1,901**	–
Exchange differences arising on translation of foreign operation		**(1)**	–
		1,900	(578)
Total comprehensive income for the period		**1,684,842**	326,910

	NOTE	Six months ended 30.6.2015 HK$'000 (Unaudited)	30.6.2014 HK$'000 (Unaudited) (Restated)
Profit for the period attributable to:			
Owners of the Company			
– Profit for the period from continuing operations		**1,682,942**	332,140
– Loss for the period from discontinued operation		**–**	(4,652)
Non-controlling interests		**–**	–
		1,682,942	327,488
Total comprehensive income attributable to:			
Owners of the Company		**1,684,842**	326,910
Non-controlling interests		**–**	–
		1,684,842	326,910
		HK cents	*HK cents*
Earnings per share	*10*		
From continuing and discontinued operations			
Basic		**23.40**	4.55
Diluted		**23.33**	4.55
From continuing operations			
Basic		**23.40**	4.62
Diluted		**23.33**	4.62

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	**30.6.2015** *HK$'000* **(Unaudited)**	31.12.2014 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**83,983**	26,269
Available-for-sale investments		**667,118**	595,013
Interests in an associate		**45,634**	48,478
Intangible assets		**3,908**	3,908
Other deposits		**970**	280
Deposits paid for purchase of property, plant and equipment		**4,522**	2,451
Deposit paid for an investment		**–**	6,708
		806,135	683,107
Current assets			
Trade and other receivables, deposits and prepayments	*11*	**528,138**	651,937
Entrusted loans receivable		**521**	28,308
Tax recoverable		**–**	107
Financial assets at fair value through profit or loss		**4,108,033**	2,037,384
Pledged bank deposits		**37,061**	–
Bank balances – trust and segregated accounts		**81,895**	29,651
Bank balances (general accounts) and cash		**1,149,014**	1,127,641
		5,904,662	3,875,028
Current liabilities			
Trade and other payables	*12*	**107,076**	50,985
Taxation payable		**89,890**	14,673
Borrowings – due within one year		**100,000**	–
		296,966	65,658
Net current assets		**5,607,696**	3,809,370
Total assets less current liabilities		**6,413,831**	4,492,477
Non-current liabilities			
Deferred taxation		**360,877**	130,091
Net assets		**6,052,954**	4,362,386
Capital and reserves			
Share capital		**71,939**	71,897
Reserves		**5,973,381**	4,282,855
Equity attributable to owners of the Company		**6,045,320**	4,354,752
Non-controlling interests		**7,634**	7,634
Total equity		**6,052,954**	4,362,386

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group has not early applied the amendments to Appendix 16 issued by the Stock Exchange in early 2015.

Prior to the disposal of Deluxe International Investment Limited ("Deluxe"), the Group was principally engaged in investment holdings, manufacturing and sales of electrical and energy-related products, provision of securities brokerage services, placing and underwriting services, provision of corporate finance advisory services, trading and investment of securities, provision of margin financing, money lending services, investment advisory and management services. During the year ended 31 December 2014, the Group discontinued its operation in manufacturing and sales of electrical and energy-related products upon the disposal of Deluxe in December 2014.

In prior years and up to the disposal of Deluxe in December 2014, the Company's functional currency was Renminbi ("RMB"). The directors of the Company had evaluated the primary economic environment in which the Company operates, including the underlying investment activities and strategy of the Company after the disposal of Deluxe in December 2014 and have determined that the functional currency of the Company changed from RMB to Hong Kong Dollars ("HK$"). The effects of the change of the functional currency of the Company had been accounted for prospectively from the date of change during the financial year of 2014. The consolidated financial statements continued to be presented in HK$.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

3. SEGMENT INFORMATION

The Group determines its operating segments and measurement of segment profit based on the internal reports to the executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment. During the year ended 31 December 2014, operation regarding the manufacture and sale of electrical and energy-related products was discontinued as a result of disposal of Deluxe. The segment information reported below does not include any amounts for the discontinued operation. Details of the discontinued operation are set out in note 8.

During the year ended 31 December 2014, securities trading and investments and money lending have become substantial operating activities to the Group, therefore they are reported separately to the chief operating decision makers and hence each of these business lines constitutes a reportable and operating segment. Figures in segment information for the six months ended 30 June 2014 have been re-presented to conform with current period presentation.

During the six months ended 30 June 2015, the Group's reportable and operating segments are as follows:

(a) the provision of securities brokerage and provision of financial, consultancy and corporate financial advisory services ("Financial services");

(b) securities trading and investments; and

(c) money lending.

Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable and operating segments.

For the six months ended 30 June 2015 (unaudited)

	Financial services *HK$'000*	**Securities trading and investments** *HK$'000*	**Money lending** *HK$'000*	**Consolidated** *HK$'000*
Turnover				
Revenue from financial services	**16,356**	**–**	**–**	**16,356**
Revenue from money lending	**–**	**–**	**20,227**	**20,227**
Total revenue	**16,356**	**–**	**20,227**	**36,583**
Gains on financial assets at fair value through profit or loss	**–**	**2,038,945**	**–**	**2,038,945**
Total turnover, representing segment revenue	**16,356**	**2,038,945**	**20,227**	**2,075,528**
Segment (loss) profit	**(28,568)**	**2,037,514**	**(4,964)**	**2,003,982**
Unallocated other income				**15,713**
Other gains and losses				**4,318**
Share of results of an associate				**(2,844)**
Central corporate expenses				**(19,042)**
Profit before taxation from continuing operations				**2,002,127**

For the six months ended 30 June 2014 (unaudited) (re-presented)

	Financial services *HK$'000*	Securities trading and investments *HK$'000*	Money lending *HK$'000*	Consolidated *HK$'000*
Turnover				
Revenue from financial services	18,445	–	–	18,445
Revenue from money lending	–	–	8,001	8,001
Total revenue	18,445	–	8,001	26,446
Gains on financial assets at fair value through profit or loss	–	355,168	–	355,168
Total turnover, representing segment revenue	18,445	355,168	8,001	381,614
Segment profit	3,574	359,206	4,990	367,770
Unallocated other income				18,498
Net exchange loss				(9,314)
Share of results of an associate				(218)
Central corporate expenses				(16,936)
Profit before taxation from continuing operations				359,800

Segment turnover from continuing operations includes revenue from financial services and money lending operations. In addition, the chief operation decision makers also consider gains on financial assets at fair value through profit or loss as segment turnover.

The accounting policies of the reportable and operating segment are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of, certain other income, other gains and losses, share of results of an associate, central corporate expenses and taxation. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

4. OTHER INCOME

	Six months ended 30.6.2015 HK$'000 (Unaudited)	30.6.2014 HK$'000 (Unaudited) (Restated)
Interest income on:		
– bank deposits	**13,013**	16,626
– entrusted loans receivable	**2,500**	19
– listed bonds designated at fair value through profit or loss	**2,429**	1,708
– others	**271**	164
	18,213	18,517
Dividend income from financial assets at fair value through profit or loss:		
– listed investments held for trading	**2,351**	3,820
– unlisted investment funds	**1,319**	218
Others	**933**	2,987
	22,816	25,542

5. FINANCE COSTS

	Six months ended 30.6.2015 HK$'000 (Unaudited)	30.6.2014 HK$'000 (Unaudited) (Restated)
Interest on borrowings wholly repayable within five years	**15,129**	212

6. TAXATION

	Six months ended 30.6.2015 HK$'000 (Unaudited)	30.6.2014 HK$'000 (Unaudited)
Taxation for the period comprises:		
Hong Kong Profits Tax	**88,398**	5,147
Deferred taxation charge	**230,787**	22,513
	319,185	27,660

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2015 (six months ended 30 June 2014: 16.5%).

7. PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Net exchange loss	**105**	9,314
Gain on disposal of property, plant and equipment	**(130)**	–
Release of provisions of financial guarantees	**(4,293)**	–

8. DISCONTINUED OPERATION

During the year ended 31 December 2014, the Group's operation in respect of manufacture and sale of electrical and energy-related products was discontinued. The result of and loss for the period from the discontinued operation for the period ended 30 June 2014 has been re-presented and was analysed as follows:

	Six months ended
	30.6.2014
	HK$'000
	(Unaudited)
Revenue	27,027
Other income	133
Changes in inventories of finished goods and work in progress	(4,724)
Raw materials and consumables used	(14,716)
Depreciation of property, plant and equipment	(2,594)
Release of prepaid lease payments	(251)
Employee benefit expenses	(5,783)
Administrative and other expenses	(1,300)
Finance costs	(2,444)
Loss before taxation	(4,652)
Taxation	–
Loss for the period from discontinued operation	(4,652)

During the period ended 30 June 2014, the operation of manufacture and sale of electrical and energy-related products generated HK$15,396,000 in respect of the Group's net operating cash flows, paid HK$16,738,000 in respect of investing activities and paid HK$1,279,000 in respect of financing activities.

9. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period (six months ended 30 June 2014: nil).

10. EARNINGS PER SHARE

For continuing and discontinued operations

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

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**1,682,942**	327,488

	Six months ended	
	30.6.2015	30.6.2014
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,190,605,007**	7,189,655,664
Effect of dilutive potential ordinary shares:		
Share options	**24,237,482**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**7,214,842,489**	7,189,655,664

For the six months ended 30 June 2014, the computation of diluted earnings 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 during that period.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30.6.2015	30.6.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings are calculated as follows:		
Profit for the period attributable to the owners of the Company	**1,682,942**	327,488
Add: loss for the period from discontinued operation	**–**	4,652
Earnings for the purposes of basic and diluted earnings per share from continuing operations	**1,682,942**	332,140

The denominators used are the same as those detailed above for basic and diluted earnings per share.

From discontinued operation

For the six months ended 30 June 2014, basic and diluted loss per share from discontinued operation is HK0.07 cents per share, based on the loss for the period from discontinued operation of HK$4,652,000 and the denominators detailed above for basic and diluted earnings per share.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.06.2015	31.12.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables arising from provision of securities brokerage business:		
– Hong Kong Securities Clearing Company Limited ("HKSCC")	**1,230**	1,885
Trade receivables arising from the business of advisory for corporate finance and investment management	**1,170**	370
Trade receivables arising from secured margin clients	**72,531**	110,428
Deposits with securities brokers	**84,106**	33,790
Loans to independent third parties	**327,523**	465,665
Amount due from Deluxe	**20,000**	20,000
Other receivables, deposits and prepayments	**21,578**	19,799
	528,138	651,937

The settlement terms of trade receivable arising from the provision of securities brokerage business from HKSCC are usually two days after trade date. No aged analysis is disclosed as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of broking business.

12. TRADE AND OTHER PAYABLES

	30.06.2015	31.12.2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables to cash clients	**95,675**	30,391
Provision of financial guarantee	**–**	8,629
Deposit received from disposal of a subsidiary	**3,000**	–
Other payables and accrued charges	**8,401**	11,965
	107,076	50,985

Trade payables to cash clients are repayable on demand. In the opinion of the directors of the Company, no aged analysis is disclosed as the aged analysis does not give additional value.

13. ACQUISITION OF A SUBSIDIARY

On 24 December 2014, Enerchine Group Limited, the wholly-owned subsidiary of the Company, signed a sale and purchase agreement with an independent third party to acquire the entire issued equity of High Gear Limited ("High Gear"), an entity incorporated in the British Virgin Islands, at a consideration of Euro7.1 million (equivalent to HK$61,202,000). The acquisition was completed on 15 April 2015.

High Gear's assets acquired on 15 April 2015 are as follows:

	HK$'000
	(Unaudited)
Property, plant and equipment	61,182
Bank balances (general accounts) and cash	20
	61,202
Net cash outflow arising on acquisition:	
Cash consideration paid	(61,202)
Amount paid in previous period *(note)*	6,708
Less: bank balances (general accounts) and cash	20
	(54,474)

Note: As at 31 December 2014, the Group paid Euro0.71 million (equivalent to HK$6,708,000) and included in deposits paid for an investment in the consolidated statement of financial position.

No revenue is contributed by High Gear during the six months ended 30 June 2015. Included in the profit for the six months ended 30 June 2015 is loss of HK$2,232,000 attributable to High Gear.

Had the acquisition been effected at the beginning of the year, the total amount of revenue of the Group for the six months ended 30 June 2015 would have been HK$36,583,000 and the amount of the profit for the six months ended 30 June 2015 would have been HK$1,682,933,000. The pro forma information is for illustrative purposes only and it not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the period, nor is it indented to be a project of the results.

14. EVENTS AFTER THE REPORTING PERIOD

(i) On 11 May 2015, the Company has entered into a placing agreement with a placing agent which is a wholly-owned subsidiary of the Company. Pursuant to the agreement, the Company agreed to grant and the placing agent agreed to procure not less than six placees to subscribe for 1,335,950,132 warrants of the Company with mandatory exercise rights at placing price of HK$0.01 per warrant at subscription price of HK$0.65 per share. By the end of 24 months after the issue of the warrants, the Company must exercise the mandatory exercise rights to request all warrants holders who hold any unexercised warrants with mandatory exercise rights to exercise the subscription right. The placing agreement is subject to the approval from the shareholders at the special general meeting. On 7 July 2015, the placing agreement is approved by shareholders at the special general meeting.

(ii) On 2 July 2015, a wholly-owned subsidiary of the Company has entered into a subscription agreement with Freewill Holdings Limited ("Freewill"), an independent third party, to subscribe for 38,000,000 shares of Freewill at a cash consideration of HK$209,000,000. The investment will be classified as available-for-sale investments upon acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group principally engages in the financial services sector, including the provision of securities brokerage services, placing and underwriting services, the provision of corporate finance advisory services, trading and investment of securities, provision of margin financing, money lending services, investment advisory and management services as well as investment holdings. Following completion of the disposal of the entire interest of Henan ADD Electric Equipment Co., Ltd. ("Henan ADD"), the Group ceased to operate the electrical and energy-related business on 3 December 2014.

For the six months ended 30 June 2015, the Group's turnover from continuing operations amounted to approximately HK$2,075.5 million, an increase of 444% compared with the same period last year. Profit for the current period significantly increased by 414% to HK$1,682.9 million. Basic earnings per share from continuing operations rose 406% to HK23.40 cents. The growth in net profit was mainly attributable to gains on financial assets at fair value through profit or loss.

PRINCIPAL OPERATIONS

The Group's turnover from continuing operations for the six months ended 30 June 2015 increased by approximately 444% to HK$2,075.5 million when compared to HK$381.6 million for the same period last year. Income from sale of securities included in trading of securities segment recorded a gain of HK$2,038.9 million (six months ended 30 June 2014: HK$355.2 million). Dividend income from investments included in trading of securities segment decreased by approximately 9% to HK$3.7 million when compared to HK$4.0 million for the six months ended 30 June 2014, which was mainly due to lesser dividends were received by the Group from listed securities. Interest income from money lending services increased by approximately 153% to HK$20.2 million when compared to HK$8.0 million for the six months ended 30 June 2014 as the average interest rates charged to customers rose and also more loans were granted to customers during the current period. Corporate finance advisory fees increased by approximately 71% to HK$3.0 million as a result of increase in customers' portfolio, compared to HK$1.8 million for the six months ended 30 June 2014. Income from securities brokerage, placing, underwriting and margin financing services amounted to HK$9.3 million, representing a decrease of approximately 29% when compared to HK$13.1 million for the six months ended 30 June 2014 as lesser sizeable underwriting, sub-underwriting, placing and sub-placing transactions were undertaken during the current period. Investment advisory services increased by approximately 12% to HK$4.0 million compared to HK$3.6 million for the six months ended 30 June 2014.

Discontinued business operations

I. Disposal of Henan ADD – High-voltage Porcelain Products during the year ended 31 December 2014

In October 2014, Enerchina Investments Limited ("Enerchina Investments"), a direct wholly-owned subsidiary of the Company, and SinyNet Storage Technology (Asia) Co., Ltd ("SinyNet Storage") entered into a conditional sale and purchase agreement pursuant to which Enerchina Investments agreed to sell and SinyNet Storage agreed to acquire the entire issued share capital of Deluxe International Investment Limited ("Deluxe"), an indirect wholly-owned subsidiary of the Company, at a consideration of HK$25,500,000 and SinyNet Storage agreed to accept the assignment of the shareholder's loan advanced by Enerchina Investments to Deluxe from Enerchina Investments at a consideration of HK$20,000,000, the aggregate consideration of which equals to approximately HK$45,500,000 (the "Disposal"). The Disposal was approved by the shareholders of the Company at the special general meeting held on 21 November 2014. The Disposal was completed on 3 December 2014 and recorded a loss from discontinued operation amounted to HK$4.6 million for the year ended 31 December 2014. Upon completion, the Company did not have any interest in Deluxe, and Deluxe together with Henan ADD ceased to be the subsidiaries of the Company.

II. Updates on the previous disposal of shares in Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade")

During the year ended 31 December 2011, the Group disposed of its 100% equity interest in Fuhuade to CNOOC Gas & Power Group (the "CNOOC Gas" or "Buyer"). The total consideration of the disposal of RMB1,037,642,000 (equivalent to approximately HK$1,247,166,000) was payable in instalments, the payment of which was subject to finalisation and confirmation of the results of supplemental audit. As at 31 December 2012, the supplemental audit was not yet finalized and the outstanding instalments were not received from the Buyer. In view of this, the Group made a provision for doubtful consideration receivable of HK$93,132,000 for the year ended 31 December 2012.

As at 31 December 2013, the Group was still not able to secure a satisfactory conclusion on the supplemental audit. Under the circumstances, the Board is of the opinion that the timing and eventual outcome of the finalisation of the supplemental audit and hence the settlement of the outstanding instalments cannot be estimated with reasonable certainty. It is determined that the receivable amount should be fully provided for until such time as the eventual outcome can be reliably estimated. Accordingly, the Group fully wrote down the receivable amount of HK$255,185,000, being the amount of consideration receivable amounting to HK$358,921,000 as originally stated after deducting estimated other taxes payable arising from the disposal of the subsidiary of HK$103,736,000, in the profit and loss account for the year ended 31 December 2013.

During the period under review, legal recourse has been sought awaiting the decision from the court. Notwithstanding the provision made against the doubtful consideration receivable, the management of the Company will take all necessary measures to defend the interest of the Group.

PLACING OF UNLISTED WARRANTS WITH MANDATORY EXERCISE RIGHTS

The Company entered into a conditional placing agreement dated 11 May 2015 (the "Placing Agreement") with Win Wind Securities Limited (formerly known as Enerchine Securities Limited) (the "Placing Agent"), a wholly-owned subsidiary of the Company, pursuant to which the Company agreed to grant and the Placing Agent agreed to procure not less than six professional investors (the "Placees") to subscribe for 1,335,950,132 unlisted transferable warrants ("Warrant(s)") to be issued by the Company at HK$0.01 per Warrant pursuant to the Placing Agreement (as supplemented by two supplemental agreements dated 20 May 2015 and 15 June 2015). The Warrants entitle the holder thereof to subscribe for one new share to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Warrants ("Warrant Share(s)") at HK$0.65 per Warrant Share (subject to adjustment pursuant to the instrument) at any time during a period of 24 months of the issue of the Warrants and subject to the mandatory exercise rights.

The net proceeds from the placing amounts to approximately HK$13.36 million which will be used as the general working capital of the Group. Any additional proceeds from the issue of the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants with mandatory exercise rights in the future up to a total amount of approximately HK$846.16 million (after deduction of expenses) will also be applied as the general working capital and/or as funds for the future business development of the Group. Details of the placing was mentioned in the circular to shareholders on 19 June 2015. The placing was approved by shareholders of the Company at a special general meeting on 7 July 2015, authorizing the Board to allot and issue the Warrants.

FINANCIAL POSITION

The Group's bank borrowings amounted to HK$100.0 million as at 30 June 2015 (31 December 2014: nil). Gearing ratio as at 30 June 2015, calculated on the basis of bank borrowing over shareholders' equity, was 1.7% (31 December 2014: nil). The Group is in a net cash position and bank borrowings are arranged at floating interest rates.

The bank borrowings are secured by assets held in the bank including investments held for trading of HK$1,491.8 million and deposits of HK$37.1 million as collateral. The bank borrowings of the Group are denominated in HK$. The Group's financial services and money lending businesses are not exposed to foreign exchange risk as most of the transactions are denominated in HK$. No financial instruments were used for hedging purposes.

The Group's cash and cash equivalents amounted to HK$1,149.0 million as at 30 June 2015 and are mostly denominated in RMB, HK$ and USD.

Capital commitments

As at 30 June 2015, the Group had capital commitments in respect of the acquisition of property, plant and equipment amounting to HK$12.1 million that have not been provided for in the financial statements.

Events after the reporting period

On 2 July 2015, a wholly-owned subsidiary of the Company has entered into a subscription agreement with Freewill Holdings Limited ("Freewill"), an independent third party, to subscribe for 38,000,000 shares of Freewill at a cash consideration of HK$209,000,000. The investment will be classified as available-for-sale investments upon acquisition.

PROSPECTS

Shanghai-Hong Kong Stock Connect Scheme, a cross-border investment channel launched in November 2014, is one of the milestones in the development of capital markets in China. Against a backdrop of large worldwide investor base and abundant capital pool, the Group is optimistic of capitalising on Hong Kong's unique position as the gateway to the Mainland China and the Asia Pacific market. We believe a great amount of investment and development opportunities still exist in Hong Kong and the PRC market. We will continue to improve the management of our existing businesses and projects; and will actively seek new business and investment opportunities so as to enhance the value of the Company for all shareholders.

The Board believes that the outlook of the financial services sector is positive. The Company is expanding its professional team and enhancing its capability to cope with the expected increase in business opportunities, and is also actively expanding the service platform and customer base in its financial businesses to develop new streams of revenue and returns for the Company.

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2015 (2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group employed approximately 37 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 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 six months ended 30 June 2015.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as 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 six months ended 30 June 2015, 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. Currently, the members of the Audit Committee are Mr. Cheung Wing Ping, Mr. Chui Kark Ming and Dr. Xiang Bing. 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 interim results of the Group for the six months ended 30 June 2015 had not been audited, but had been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
Enerchina Holdings Limited
Chen Wei
Chairman

Hong Kong, 6 August 2015

As at the date of this announcement, the Board comprises Mr. Chen Wei (Chairman), Mr. Sam Nickolas David Hing Cheong (Chief Executive Officer), Mr. Xiang Ya Bo and Mr. Tang Yui Man Francis as executive Directors; Mr. Xin Luo Lin as non-executive Director and Mr. Cheung Wing Ping, Mr. Chui Kark Ming and Dr. Xiang Bing as independent non-executive Directors.