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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 ISSUE OF NEW SHARES BY A SUBSIDIARY OF THE COMPANY TO A LISTED COMPANY

DISCLOSEABLE TRANSACTION

The Board wishes to announce that on 30 March 2016 (after trading hours), Win Wind, a wholly-owned subsidiary of the Company, and China Optoelectronics entered into the Subscription Agreement, pursuant to which, amongst other things, China Optoelectronics (or its nominee(s)) has conditionally agreed to subscribe 13,600,000 WW Shares, representing approximately 13.36% of the entire issued shares of Win Wind as at the date of this announcement at the consideration of HK\$408,000,000, which shall be settled by the issue of 2,040,000,000 CO Shares upon completion.

Immediately after completion of the Subscription Agreement, the Company will hold approximately 88.22% interest in Win Wind after the issue of 13,600,000 WW Shares to China Optoelectronics (or its nominee(s)) pursuant to the Subscription Agreement; and the Company will hold 2,041,792,350 CO Shares, representing approximately 40.00% of the existing issued share capital of China Optoelectronics and 28.58% of the enlarged issued share capital of China Optoelectronics.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription Agreement exceed 5% but are below 25%, the Subscription Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

As completion of the Subscription Agreement is subject to the satisfaction of the conditions precedent thereunder, the discloseable transaction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

* For identification purposes only

DISCLOSEABLE TRANSACTION

On 30 March 2016 (after trading hours), Win Wind, a wholly-owned subsidiary of the Company, and China Optoelectronics entered into the Subscription Agreement, pursuant to which, amongst other things, China Optoelectronics (or its nominee(s)) has conditionally agreed to acquire 13,600,000 WW Shares, representing approximately 13.36% of the entire issued shares of Win Wind as at the date of this announcement at the consideration of HK\$408,000,000, and shall be settled by the issue of 2,040,000,000 CO Shares upon completion.

Immediately after completion of the Subscription Agreement, the Company will hold approximately 88.22% interest in Win Wind after the issue of 13,600,000 WW Shares to China Optoelectronics (or its nominee(s)) pursuant to the Subscription Agreement; and the Company will hold 2,041,792,350 CO Shares, representing approximately 40.00% of the existing issued share capital of China Optoelectronics and 28.58% of the enlarged issued share capital of China Optoelectronics.

THE SUBSCRIPTION AGREEMENT

Date

30 March 2016 (after trading hours)

Parties

Subscriber: China Optoelectronics (or its nominee(s))

Issuer: Win Wind, a wholly owned subsidiary of the Company

As disclosed in the announcement of China Optoelectronics dated 23 December 2015, Big Focus (an indirect wholly — owned subsidiary of China Optoelectronics) and Win Wind entered into the CN Subscription Agreement, pursuant to which Win Wind has conditionally agreed to issue, and Big Focus has conditionally agreed to subscribe the Convertible Note in aggregate principal amount of HK\$150 million.

As at the date of this announcement, the Company is interested in 1,792,350 shares of China Optoelectronics.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, China Optoelectronics and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons as at the date of this announcement.

Assets to be transferred

Pursuant to the Subscription Agreement, amongst other things, China Optoelectronics (or its nominee(s)) has conditionally agreed to acquire 13,600,000 WW Shares, representing approximately 13.36% of the entire issued shares of Win Wind as at the date of this announcement at the consideration of HK\$408,000,000, and shall be settled by the issue of

2,040,000,000 CO Shares upon completion. Upon completion, Win Wind will continue to be a subsidiary of the Company and its financial information shall continue to be consolidated into the consolidated financial statement of the Group.

Immediately after completion of the Subscription Agreement, the Company will hold approximately 88.22% interest in Win Wind after the issue of 13,600,000 WW Shares to China Optoelectronics (or its nominee(s)) pursuant to the Subscription Agreement; and the Company will hold 2,041,792,350 CO Shares, representing approximately 40.00% of the existing issued share capital of China Optoelectronics and 28.58% of the enlarged issued share capital of China Optoelectronics. Upon Completion of the Subscription Agreement, the Company will hold 28.56% of China Optoelectronics. Therefore, China Optoelectronics will become an associate of the Company.

Consideration

The consideration for the subscription of 13,600,000 WW Shares shall be HK\$408,000,000, and shall be settled by the issue of 2,040,000,000 CO Shares by China Optoelectronics to Win Wind or its nominee(s) upon completion. The CO Shares, when issued, shall rank *pari passu* in all respects among themselves and with all other shares of China Optoelectronics in issue upon completion.

The subscription price of HK\$0.20 per CO Share represents:

- (i) a discount of approximately 40.30% to the closing price of HK\$0.335 per share as quoted on the Stock Exchange on 30 March 2016; and
- (ii) a discount of approximately 38.65% over the average closing price of approximately HK\$0.326 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The consideration was arrived at after arm's length negotiations between China Optoelectronics and Win Wind. The Company considers that the entering into of the Subscription Agreement is on normal commercial terms and the discloseable transaction including the consideration are fair and reasonable and is in the interests of the Group and its Shareholders as a whole.

As none of the Directors have an interest in the Subscription Agreement, none of the Directors have abstained from voting at the meeting of the Board to approve the Subscription Agreement and the transactions contemplated thereunder.

Conditions

The obligations of the parties to effect completion of the Subscription Agreement is conditional upon the following conditions precedent:-

- (i) upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the CO Shares;

- (ii) if applicable the obtaining of all consents from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Subscription Agreement and any of the transaction contemplated thereunder;
- (iii) China Optoelectronics having convened the special general meeting at which resolutions shall have been passed by its shareholders, by way of poll, to approve the Subscription Agreement and the transactions contemplated hereunder including the grant of the specific mandate in accordance with the Listing Rules; and
- (iv) the passing of the necessary resolution(s) by the sole shareholder of Win Wind (i.e. the Company) to approve the issue and allotment of the WW Shares by Win Wind to China Optoelectronics (or its nominee).

If the conditions have not been fulfilled on or before 5:00 p.m on 31 July 2016 (or such other date as Win Wind and China Optoelectronics may agree in writing), the Subscription Agreement shall lapse and become null and void and the parties hereto shall be released from all obligations hereunder, save for any liability arising out of any antecedent breaches hereof.

Completion

Completion of the Subscription Agreement and CN Redemption shall take place simultaneously on or before the 3rd Business Day after all of the conditions have been satisfied in accordance with the Subscription Agreement.

INFORMATION OF WIN WIND GROUP

The principal business activity of Win Wind is investment holding and the Win Wind Group is principally engaged in the financial services sector, namely 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.

Set out below is the unaudited consolidated financial information of the Win Wind Group prepared in accordance with Hong Kong Financial Reporting Standards:

	For the years ended 31 March	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profits before tax	387,738	534,806
Profits after tax	385,071	527,789

As at 31 December 2015, the unaudited consolidated net asset value of the Win Wind Group was approximately HK\$3,342 million.

INFORMATION OF THE COMPANY AND THE GROUP

The Company and its subsidiaries are principally engaged 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.

INFORMATION OF CHINA OPTOELECTRONICS

The principal activities of China Optoelectronics are investment holding and provision of corporate management services. China Optoelectronics and its subsidiaries are principally engaged in (i) the design, development, manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units; (ii) investments and trading in securities and money lending.

Set out below is the consolidated financial information of China Optoelectronics extracted from its 2014 annual report and 2015 annual result announcement:

	For the years ended	
	31 December	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profits before tax	13,156	256,263
Profits after tax	11,390	255,203

As at 31 December 2015, the audited consolidated net asset value of China Optoelectronics was approximately HK\$779 million.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT

The Directors consider the subscription of the CO Shares will allow the Group to diversify its investment portfolio and gain a significant holding in China Optoelectronics whose shares are listed on the Stock Exchange. The deemed disposal of Win Wind Group will not have material effect on the operation of the Group.

The Directors further believe that the subscription price of the CO Shares at a discount will provide an attractive investment opportunity for the Group.

The Directors consider that the terms of the Subscription Agreement are fair and reasonable, are based on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription Agreement exceed 5% but are below 25%, the Subscription Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

As completion of the Subscription Agreement is subject to the satisfaction of the conditions precedent thereunder, the discloseable transaction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“Big Focus”	Big Focus Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly — owned subsidiary of China Optoelectronics
“Company”	Enerchina Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“CO Shares”	ordinary shares of HK\$0.01 each in the shared capital of China Optoelectronics
“China Optoelectronics”	China Optoelectronics Holding Group Co., Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1332)
“Convertible Note”	2% per annum convertible redeemable note with outstanding principal amount of HK\$150 million issued by Win Wind to the Noteholder on 28 December 2015
“CN Subscription Agreement”	the subscription agreement dated 23 December 2015 entered into between Big Focus and Win Wind (after trading hours) in relation to the subscription of Convertible Note
“CN Redemption”	the redemption of the whole of the principal amount of HK\$150,000,000 of the Convertible Note together with all accrued interests thereon by Win Wind pursuant to the terms and conditions of the Convertible Note
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	29 March 2016 the last trading day of the Shares on the Stock Exchange before the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Noteholder”	Big Focus Limited, a wholly — owned subsidiary of China Optoelectronics, being the holder of the Convertible Note
“SFO”	the Securities and Futures Ordinance (CAP. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holders of Shares
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Subscription Agreement”	the conditional agreement dated 30 March 2016 entered into between Win Wind and China Optoelectronics in relation to the subscription of 13,600,000 WW Shares by China Optoelectronics, in consideration of 2,040,000,000 CO Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Win Wind”	Win Wind Capital Limited, a wholly-owned subsidiary of the Company incorporated in British Virgin Islands
“Win Wind Group”	Win Wind Capital Limited and its subsidiaries
“WW Shares”	ordinary shares of no par value each in the share capital of Win Wind
“%”	per cent

By Order of the Board
Enerchina Holdings Limited
Sam Nickolas David Hing Cheong
Chief Executive Officer

Hong Kong, 30 March 2016

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.