



For immediate release

Enerchina Announces 2009 Annual Results

<u>Financial Highlights</u>	Year ended at 31 December (HK\$ million)		
	2009	2008	Changes
Turnover	752.3	1,016.5	-26%
Gross profit (gross loss)	(116.2)	18.0	-746%
Net loss attributable to shareholders	(38.3)	(394.5)	-90%

(Hong Kong, 8 April 2010) - **Enerchina Holdings Limited** (Stock code: 622) (“Enerchina” or the “Group”), announces its annual results for the year ended 31 December 2009 (the “Year”).

During the Year, 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, compared with the gross profit of HK\$18.0 million recorded for the year ended 31 December 2008. The Group’s audited consolidated loss attributable to owners of the Company 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. The setback for the Year was mainly due to delays in the receipt of subsidies for fuel cost and the newly imposed fuel tax, which increased the Group’s production cost.

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).

Overview of Electricity Generation Business

With the continuous impact brought by the global economic crisis, there was significant under-demand of electricity in the first quarter of 2009. Although demand picked up during the second half of the year, demand in the entire 2009 remained weak. During the Year, direct operating expenses attributable to electricity supplies decreased by 13.0% to HK\$868.5 million while the total fuel cost decreased by 13.0% to HK\$747.3 million. Notwithstanding the drop in fuel cost as compared with the same period last year, the new 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.

Overview of Gas Fuel Business through its Major Associate, Towngas China

The Group’s investment in gas fuel business through Towngas China Company Limited (“Towngas China”) achieved another remarkable year with a record turnover from continuing operations of HK\$2,025 million, an increase of 22.2% when compared to 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. Moreover, Towngas China acquired a number of new projects in Sichuan, Shandong, Anhui, Jiangxi and Guangdong Provinces respectively in 2009.



Prospects

In 2010, the Group 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.

On the other hand, Towngas China signed an agreement in February 2010 for investment and establishment of a piped gas project in the New Industrial District of Anshan City, Liaoning Province and will continue to focus its work on developing new investments by leveraging 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, 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 a nutshell, the Group will continue to focus on making improvement in productivity, efficiency, gross profit margin and cost saving and maintaining high responsiveness to demand fluctuations in the market. At the same time, we will exercise due care and diligence to explore other suitable investment and merger and acquisition opportunities to diversify our operation in order to enhance the shareholders' value of the Company.

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Enerchina Holdings Ltd. (Stock Code: 622)

Enerchina Holdings Ltd. is a clean energy and public utility developer. Its main business includes power generation and investment in other clean energy businesses. Its main assets include Shenzhen Fuhuade Power Plant, a wholly owned subsidiary of Enerchina with a combined output of 595 Megawatts; and, Towngas China Company Limited (Stock Code: 1083), a company principally engaged in the sale and distribution of LP Gas and natural gas, the provision of piped gas and natural gas and the operation of city gas pipeline network in China.

The Hong Kong and China Gas Company Limited (Stock Code: 0003) is Towngas China's largest shareholder with an approximate 43.41% interest and Enerchina is the second largest shareholder with an approximate 27.09% interest.

Company website: www.enerchina.com.hk

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