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百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)



ENERCHINA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 622)

DISCLOSEABLE TRANSACTION

Disposal of 41% equity interest in Xin Hua Control Engineering Co., Ltd. by Enerchina Holdings Limited

The Equity Transfer Agreement

The Company entered into the Equity Transfer Agreement on 16 December 2004 with, amongst others, an Independent Third Party relating to the Company's disposal of its entire issued share capital in New China to the Buyer and the cancellation of all its existing shareholder's loan due from New China by Closing, for a cash consideration of US\$23.5 million (approximately HK\$182.83 million). The Company, through New China, is holding 41% equity interest in Xin Hua Control. The other sellers had, on the same date as the Equity Transfer Agreement entered into similar equity transfer agreements with the Buyer. The consideration is based on arm's length negotiations between the parties involved with reference to the unaudited net assets value of Xin Hua Control as at 30 June 2004. The principal business of Xin Hua Control is the production and sale of turbine digital electro-hydraulic control systems, pump turbine digital electro-hydraulic control systems, utility and industrial data acquisition systems and other control systems.

It is the condition precedent to the Closing that all the equity transfer agreements shall be completed simultaneously.

General

The Company is a subsidiary of Sinolink and New China is a wholly owned subsidiary of the Company. The Buyer is an Independent Third Party.

The Disposal constitutes a discloseable transaction of both the Company and Sinolink under Chapter 14 of the Listing Rules. Circulars containing details of the Transaction will be despatched to the Shareholders and Sinolink Shareholders as soon as practicable.

THE EQUITY TRANSFER AGREEMENT

Date : 16 December 2004

Parties : (1) Xin Hua Control
(2) New China
(3) The Company as the seller
(4) the Buyer

Assets to be disposed

The Company shall dispose the entire issued share capital in New China, and shall cancel all its existing shareholder's loan due from New China by Closing, for a consideration of US\$23.5 million (approximately HK\$182.83 million). New China owns 41% equity interest in Xin Hua Control. New China will cease to be a subsidiary of the Company upon Closing. The Company expects a gain on disposal of approximately HK\$95 million will result from the Disposal. The sale proceeds will be used as general working capital of the Company. If, however, the Closing does not take place within 3 months from the date of the Equity Transfer Agreement, either the Buyer or the Company may terminate the Equity Transfer Agreement.

The Equity Transfer Agreement is entered into simultaneously with the other equity transfer agreements by other shareholders of Xin Hua Control and all such equity transfer agreements (including the Equity Transfer Agreement) shall be completed simultaneously. The Directors and the Sinolink Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, the Buyer and its respective ultimate beneficial owners are Independent Third Parties.

Consideration for the Disposal

The consideration for the disposal being US\$23.5 million (approximately HK\$182.83 million) was arrived at after arm's length negotiations between the parties with reference to the unaudited adjusted net assets value of Xin Hua Control as at 30 June 2004 of approximately RMB151.66 million (approximately HK\$141.87 million).

Payment Terms

The consideration minus US\$3,196,000, being the portion of the Escrow Amount to be contributed by the Company, is payable by the Buyer to the Company on the Closing Date. Such consideration represents a premium of approximately 28.87% to the 41% attributable interest in the unaudited adjusted net tangible asset value of Xin Hua Control of approximately RMB157.66 million (approximately HK\$141.87 million) as at 30 June 2004. The board of directors of both the Company and Sinolink consider that the consideration is fair and reasonable and in the interests of their respective shareholders as a whole.

Conditions precedent

The Closing of the Equity Transfer Agreement is conditional upon, among other things, the following conditions precedent being fulfilled or waived by the parties to the Equity Transfer Agreement:

- (a) all required consents, authorizations or approvals from all other third parties that are otherwise necessary for the closing of the Transaction shall have been received, and no such consent, authorization or approval shall have been revoked; any required consent or approval that has not been received will not have a material adverse effect on Xin Hua Control and the Buyer;
- (b) the Buyer shall have completed its business, accounting, tax and legal due diligence analysis and review of Xin Hua Control, and are reasonably satisfied with respect to the business, properties, operations, nature of assets, liabilities, and financial condition of Xin Hua Control;
- (c) all the conditions precedent as set forth in the other Sellers' equity transfer agreements have been satisfied or waived in writing;
- (d) the receipt by the Buyer of all other ancillary documents to be entered into by the Company incidental to the Disposal that are necessary to convey the shares in New China to the Buyer or to otherwise consummate the transactions contemplated by the Equity Transfer Agreement;
- (e) if required by the Stock Exchange, the Shareholders shall have approved the Equity Transfer Agreement by ordinary resolution in a special general meeting of the Company; and
- (f) the Buyer shall have received from the Company a true certified extract of New China's register of members showing the most updated shareholding position of New China immediately prior to the Closing Date and the share certificates evidencing such shareholding position.

The Equity Transfer Agreement may be terminated at any time prior to the closing of the Transaction:

- (a) by mutual written agreement of the parties to the Equity Transfer Agreement;
- (b) by either the Company or the Buyer if the closing of the Transaction shall not take place within three months from the date of the Equity Transfer Agreement;
- (c) by the Buyer, if a breach of any representation, warranty, covenant or agreement on the part of the Company set forth in the Equity Transfer Agreement shall have occurred which would cause any of the conditions precedent not to be satisfied, and such breach is incapable of being cured and will have a material adverse effect on Xin Hua Control, or, if capable of being cured, shall not have been cured within sixty (60) business days following receipt by Xin Hua Control and the Company of notice of such breach from the Buyer;

- (d) by the Company, if a breach of any representation, warranty, covenant or agreement on the part of the Buyer set forth in the Equity Transfer Agreement shall have occurred which would cause any of the conditions precedent not to be satisfied, and such breach is incapable of being cured and will have a material adverse effect on Xin Hua Control, or, if capable of being cured, shall not have been cured within sixty (60) business days following receipt by the Buyer of notice of such breach from the Company; or
- (e) by either the Company or the Buyer if there shall be any law that makes consummation of the transactions contemplated by the Equity Transfer Agreement illegal or otherwise prohibited or if consummation of the transactions contemplated by the Equity Transfer Agreement would violate any non-appealable final order, decree or judgment of any government entity having competent jurisdiction.

THE ESCROW ARRANGEMENT

Under the Equity Transfer Agreement, the Escrow Amount shall be held by an escrow agent.

INFORMATION ON XIN HUA CONTROL

Xin Hua Control is a company incorporated under the laws of the PRC pursuant to a joint venture contract dated 14 November 2002 among Xin Hua Group, New China and Well Control, with a total registered capital of US\$5,800,000 of which New China owns 41% interest. Xin Hua Control is principally engaged in the business of manufacture and sale of control systems for power plants and large scale manufacturing plants.

Based on the financial statements of Xin Hua Control, which were prepared in accordance with accounting principles generally accepted in the PRC, the audited/unaudited profit before taxation, profit after taxation for the year ended 31 December 2002, 2003 and the six months ended 30 June 2004 are set out in the following table:

	(Audited) Year ended 31 December 2002 <i>RMB million</i>	(Audited) Year ended 31 December 2003 <i>RMB million</i>	(Unaudited) Six months ended 30 June 2004 <i>RMB million</i>
Profit before taxation	23.64	32.00	16.63
Profit after taxation	15.73	26.81	15.26
Net asset value	109.71	136.41	151.66

The unaudited net tangible asset value of Xin Hua Control as at 30 June 2004 amounted to approximately RMB151.66 million (approximately HK\$141.87 million). The principal tangible assets of Xin Hua Control are its buildings and control systems for power plants.

INFORMATION ON THE BUYER

To the best of the knowledge, information and belief of the Directors and the Sinolink Directors, having made all reasonable enquiries, the principal business of the Buyer is investment holding, the provision of management and operational headquarters services, financial and treasury services to related corporations and sales, distribution and service of its products.

REASONS FOR THE TRANSACTION

The principal business of the Enerchina Group is electricity generation and supply in the PRC and investment holding.

The Directors, including the independent non-executive directors, are of the view that the terms of the Transaction are fair and reasonable and in the interests of the Shareholders as a whole.

Sinolink is principally engaged in: (i) property development and investment; (ii) pipeline construction, liquefied petroleum gas and natural gas distribution, transportation, storage, distribution and sales of liquefied petroleum gas and natural gas; and (iii) electricity generation and supply operations.

The Sinolink Directors are of the view that the Disposal which involves the sale by Enerchina of its non-core business is in the interests of the Sinolink.

The Sinolink Directors, including the independent non-executive directors of Sinolink, are of the view that the terms of the Transaction are fair and reasonable and in the interests of the Sinolink Shareholders as a whole.

GENERAL

New China is a limited liability company incorporated in the British Virgin Islands. It is a wholly-owned subsidiary of the Company and the only asset held by New China is its equity interest in Xin Hua Control.

The Company is subject to the General Offers by Morgan Stanley Dean Witter Asia Limited on behalf of Sinolink. Under Rule 4 of the Takeovers Code, once a bona fide offer has been communicated to the board of an offeree company or the board of an offeree company has reason to believe that a bona fide offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree company being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree company in relation to the affairs of the company without the approval of the shareholders of the offeree company in general meeting. The Executive treats the Disposal as a frustrating action of the Company under Rule 4 of the Takeovers Code.

Under Note 1 of Rule 4 of the Takeovers Code, the Executive may grant a waiver from the requirement of a shareholders' meeting if the offeror agrees to the relevant transaction. In relation to this, the Company has obtained a written consent for the Disposal from Sinolink. As such, the Company has applied to the Executive for a waiver from the requirement to obtain shareholders' approval in a general meeting of the Company in relation to the entering into the Equity Transfer Agreement and other documents in connection with the Disposal by the Company and the completion of the Disposal.

The Disposal constitutes a discloseable transaction of both the Company and Sinolink under Chapter 14 of the Listing Rules. Circulars containing further details of the Transaction will be despatched to the Shareholders and the Sinolink Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day on which licensed banks in Hong Kong and the PRC are generally open for business (excluding Saturday, Sunday and public holidays of both places)
“Buyer”	an Independent Third Party
“Company”	Enerchina Holdings Limited (Stock Code: 622), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Closing”	the consummation (i.e. completion) of the Equity Transfer Agreement which shall take place on Closing Date
“Closing Date”	the date no later than 5 business days after all the conditions precedents under the Equity Transfer Agreement have been fulfilled or waived by the Company or the Buyer (as applicable) or such other date as the Company and the Buyer may agree
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire issued share capital of New China by the Company to the Buyer
“Enerchina Group”	the Company and its subsidiaries
“Enerchina Shareholder(s)”	the holder(s) of the share(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 16 December 2004 entered into between inter alia, New China, the Company and the Buyer
“Escrow Amount”	a sum of US\$3,196,000
“Executive”	The Executive Director of the Corporate Finance division of the Securities and Futures Commission or any delegate of the Executive Director

“General Offers”	the unconditional mandatory general offers by Morgan Stanley Dean Witter Asia Limited on behalf of Sinolink to acquire all the issued shares of and for cancellation of all outstanding options of the Company (other than those shares of the Company held by Sinolink and parties acting in concert with it), more particularly described in the joint announcement dated 6 December 2004 issued by the Company and Sinolink
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	persons who, to the best of the Directors’ and Sinolink Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and Sinolink, their Directors, chief executives and substantial shareholders or their respective associates as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New China”	New China Control Systems Limited, a limited liability company incorporated in the British Virgin Islands, a wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Sellers”	Xin Hua Group, Well Control and the Company
“Sinolink”	Sinolink Worldwide Holdings Limited (Stock Code: 1168), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Sinolink Directors”	the directors of Sinolink
“Sinolink Shareholder(s)”	the holder(s) of the share(s) of Sinolink
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Transaction”	the transaction contemplated under the Equity Transfer Agreement

“US\$”	United States dollars, the lawful currency of the United States of America
“Well Control”	Well Control Engineering Company Limited, a limited liability company incorporated in Hong Kong, an Independent Third Party
“Xin Hua Control”	Xin Hua Control Engineering Co., Ltd., a sino-foreign joint venture limited liability company established in the PRC
“Xin Hua Group”	Shanghai Xin Hua Control Technology (Group) Co., Ltd., a limited liability company incorporated in the PRC
“%”	per cent
<i>Exchange rate:</i>	<i>US\$1 to HK\$7.78</i>

By Order of the Board
Sinolink Worldwide Holdings Limited
OU Yaping
Chairman

By Order of the Board
Enerchina Holdings Limited
SUN Qiang Chang
Chairman

Hong Kong, 17 December 2004

** For identification purpose only*

At the date hereof, the board of directors of the Company and Sinolink comprises of:

SINOLINK WORLDWIDE HOLDINGS LIMITED

Executive Directors:

OU Yaping (*Chairman*)

TANG Yui Man Francis (*Chief Executive Officer*)

CHEN Wei

LAW Sze Lai

Independent Non-executive Directors:

LI Zhi Xiang

XIN Luo Lin

Davin A. MACKENZIE

ENERCHINA HOLDINGS LIMITED

Executive Directors:

SUN Qiang Chang (*Chairman*)

OU Yaping (*Vice chairman*)

XIANG Ya Bo

TANG Yui Man Francis

LENG Xuesong

XU Xinghai

Independent Non-executive Directors:

XIN Luo Lin

LU Yungang

Davin A. MACKENZIE

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Journal.