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HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 554)

DISCLOSEABLE TRANSACTION

**CONSTRUCTION OF JETTY TERMINAL AT HUMEN PORT,
DONGGUAN, GUANGDONG**

5 February 2008

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DEFINITIONS

In this circular, the following definitions apply throughout unless otherwise stated:

“Board”	the board of Directors;
“Coastal Line”	the coastal line of 650 metres in Dongguan Humen Port Lisha Island Area (虎門港立沙島作業區);
“Company”	Hans Energy Company Limited, a limited company incorporated in the Cayman Islands with limited liability, whose shares are listed on The Stock Exchange of Hong Kong Limited;
“Construction Agreement”	the agreement dated 9 November 2007 entered into between Dongguan Storage Co and the Contractor in relation to the construction of a jetty terminal at Humen Port, Dongguan, Guangdong;
“Contractor”	中交第三航務工程局有限公司 (CCCC Third Harbor Engineering Co, Ltd*);
“Director(s)”	the director(s) (including the independent non-executive director(s)) of the Company;
“Dongguan Storage Co”	東莞市東洲國際石化倉儲有限公司 (Dongguan Dongzhou International Petrochemical Storage Company Limited*), a limited liability company established in the PRC and a subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Land”	a piece of land adjacent to the Coastal Line with a total area of approximately 679.90 mou (equivalent to approximately 453,267 square metres) in Dongguan Humen Port Shatian Harbour Area (東莞虎門港沙田港區);
“Latest Practicable Date”	4 February 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

* For identification purpose only

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC; and
“Shareholder(s)”	the shareholder(s) of the Company.

For the purposes of this circular, an exchange rate of RMB0.93: HK\$1.00 has been adopted.

In case of inconsistency, the English text of this circular shall prevail over the Chinese text. For the purpose of this circular, the English names of the PRC entities or locations are translations of those Chinese names and are included in this circular for identification purpose only.



HANS ENERGY COMPANY LIMITED
漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 554)

Executive Directors:

Mr. David An (*Chairman*)
Mr. Fung Chi Kwan, Nicholas
Ms. Liu Zhijun
Mr. Zhang Lei

Independent Non-executive Directors:

Mr. Li Wai Keung
Mr. Liu Jian
Mr. Chan Chun Wai, Tony

Registered office:

P.O. Box 309
Ugland House
South Church Street
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Cayman Islands

Head office and

principal place of business:

Room 2708-12
27th Floor
Office Tower
Convention Plaza
1 Harbour Road
Wanchai, Hong Kong

5 February 2008

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

**CONSTRUCTION OF JETTY TERMINAL AT HUMEN PORT,
DONGGUAN, GUANGDONG**

1. INTRODUCTION

On 17 January 2008, the Company announced that Dongguan Storage Co, a subsidiary of the Company, has entered into the Construction Agreement with the Contractor pursuant to which the Contractor shall construct a jetty terminal at Humen Port, Dongguan, Guangdong at a consideration of RMB64,200,000 (equivalent to approximately HK\$69,032,000). The Construction Agreement and the

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transactions contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. This circular is intended to set out, among other things, details of the Construction Agreement to the Shareholders for information purpose.

2. THE AGREEMENT

Date: 9 November 2007

Parties:

- Dongguan Storage Co, a subsidiary of the Company
- the Contractor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Company.

Subject matter: The construction of a jetty terminal at Humen Port, Dongguan, Guangdong in accordance with the construction plans and hydrographic surveys provided by Dongguan Storage Co, which includes works on the foundation, the structures and the pipeline network of the terminal, works on the foundation, the structures and the renovation of the control centre, and the installation of various supporting facilities for the terminal and the control centre.

Consideration and payment terms: The consideration of the Construction Agreement is RMB64,200,000 (equivalent to approximately HK\$69,032,000) and was arrived at and determined after arm's length negotiations between the parties, having considered the scope of work involved and the facilities to be constructed under the Construction Agreement.

The consideration shall be satisfied in cash in the following manner:

- 5% of the consideration (i.e. RMB3,210,000) shall be paid within seven (7) working days of the Construction Agreement (the "**Down Payment**").
- A monthly payment during conduct of the construction work shall be made to the Contractor for 85% of the value of work completed in that month (the "**Instalments**").
- When the total amounts of Instalments paid reaches 30% of the total consideration, the Down Payment shall be applied to the credit of the next three Instalments.

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- Upon completion of the construction works, Dongguan Storage Co shall pay all the outstanding consideration to the Contractor, save and except that 5% of the total consideration shall be retained (the “**Retention Money**”). Such Retention Money shall be released to the Contractor one year after the completion of the construction works, having deducted losses suffered by Dongguan Storage Co as a result of any work defects.

The Contractor would be entitled to a bonus of up to 5% of the total consideration if the construction works were completed ahead of schedule in accordance with the agreed qualitative and quantitative standards.

3. INFORMATION ON THE GROUP AND THE CONTRACTOR

The Group is principally engaged in the provision of specialised integrated terminalling, storage and logistics facilities and services for oil, gas and petrochemical products.

The Contractor is principally engaged in the construction of ports, roads, bridges, airports and the supply of construction materials.

4. REASONS FOR ENTERING INTO THE CONSTRUCTION AGREEMENT

The construction of the jetty terminal pursuant to the Construction Agreement is part of the Project as defined in the announcement of the Company dated 28 April 2006, namely the building of a new oil, gas and liquid petrochemical storage facility (for storage facilities operation) including jetty terminal (for port operation) in Dongguan Humen Port. The jetty terminal will be constructed at the harbour area adjacent to the Land and the Coastal Line and, upon completion of the construction, the Group can provide docking services at the jetty terminal to its clients in return for service fees. It is currently expected that the operation of jetty terminal, or generally known as port operation, will generate revenue for the Group by virtue of the port charge and transshipment service charge. If storage facilities are to be constructed on the Land, such storage facilities operation will generate revenue for the Group by virtue of the storage service charge. Save for the construction of the jetty terminal pursuant to the Construction Agreement, the Group does not have any other current developments in relation to the Project. It is currently anticipated that the construction of the jetty terminal pursuant to the Construction Agreement will be completed in February 2009.

With the construction of the jetty terminal in accordance with the current design, it is currently expected that the Group’s annual docking capacity will increase by approximately 166% (from 7,210,000 metric tons to 19,210,000 metric tons per annum).

The Directors are of the view that the terms of the Construction Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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5. FINANCIAL EFFECTS ON THE GROUP

The jetty terminal is expected to generate revenue of RMB200,000,000 (equivalent to approximately HK\$215,000,000) per year when it is fully utilized in providing transshipment, loading and discharge services to customers.

Upon completion of the construction of the jetty terminal and when it is fully commissioned, the contract amount of RMB64,200,000 (equivalent to approximately HK\$69,032,000) will be capitalized as an asset to the Group's balance sheet. As the Group has enough internal resources to fund this construction, the Group does not anticipate incurring any new liability in this regard. Nevertheless, the Group has enough banking facilities to support the construction if required.

6. GENERAL

The Construction Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. Your attention is also drawn to the additional information set out in the appendix to this circular.

7. DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

Under Rule 14.34 of the Listing Rules, disclosure of the subject transaction by way of announcement must be made as soon as possible after the terms of the transaction have been finalized. Due to inadvertent oversight, such announcement was not made within the stipulated time. In its announcement dated 28 April 2006, the Company has disclosed on its acquisition of land use right of the Land and the Coastal Line and details of the Project, namely the building of a new oil, gas and liquid petrochemical storage facility including jetty terminal in Dongguan Humen Port. The subject matter under the Construction Agreement, namely the construction of the jetty terminal, has already been disclosed in the Company's previous announcements and hence the Board considers that the impact of such delay in disclosure is limited, as the subject transaction does not involve major and undisclosed new developments of the Company and is not expected to significantly change the Group's business operation. More importantly, the subject transaction does not in the Board's view constitute price sensitive information of the Company and is not subject to Shareholders' approval under the Listing Rules.

Yours faithfully,
By order of the Board
Hans Energy Company Limited
David An
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules were as follows:

Ordinary shares of HK\$0.10 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares		Approximate percentage to the issued share capital of the Company	
		Long positions	Short positions	Long positions	Short positions
Mr. David An*	Corporate	2,548,203,980 (Note 1)	NIL	68.27%	NIL
	Personal	9,682,000	NIL	0.26%	NIL

Note:

- (1) The Shares are held directly as to 209,773,980 Shares by Extreme Wise Investments Limited ("Extreme Wise") and 2,338,430,000 Shares by Vand Petro-Chemicals (BVI) Company Ltd ("Vand Petro-Chemicals"), both companies are wholly-owned by Mr. David An. By virtue of the SFO, Mr. David An is deemed to be interested in the 2,557,885,980 Shares.

* Mr. David An, being a director of the Company, is also acting as the chief executive of the Company.

Save as disclosed above, as at the Latest Practicable date, none of the Directors of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the Shareholders, other than a Director or chief executive of the Company, who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities or in any options in respect of such capital were as follows:

Name	Number of Shares of the Company held	Approximate percentage of the Company's existing issued share capital as at the Latest Practicable Date
Mr. David An (<i>Note 1</i>)	2,557,885,980	68.53%
Vand Petro-Chemicals (<i>Note 1</i>)	2,338,430,000	62.65%
Dubai World Corporation (<i>Note 2</i>)	370,000,000	9.91%
Extreme Wise (<i>Note 1</i>)	209,773,980	5.62%

Note:

- (1) The Shares are held directly as to 9,682,000 Shares by Mr. David An personally, as to 209,773,980 Shares by Extreme Wise and 2,338,430,000 Shares by Vand Petro-Chemicals, both companies are wholly-owned by Mr. David An. By virtue of the SFO, Mr. David An is deemed to be interested in the 2,557,885,980 Shares. Mr. David An is a director of Extreme Wise, Vand Petro-Chemicals and the Company.
- (2) The Shares are held directly by Pony HK World, indirectly wholly-owned by Dubai World Corporation.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Directors or the chief executive of the Company, none of the Shareholders, other than a Director or the chief executive of the Company, had any interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or had, directly or indirectly, any interests in 10% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. LITIGATION

As of the Latest Practicable Date, no member of the Group is engaged in any litigation or claims of material importance pending or threatened against any member of the Group.

5. SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors has entered or has proposed to enter into any service agreements with any members of the Group (other than contracts expiring or determinable by the employer within one year).

6. COMPETING BUSINESS

As of the Latest Practicable Date, none of the Directors and their respective associates has any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. GENERAL

- (a) The registered office of the Company is P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands.
- (b) The head office and principal place of business of the Company is Room 2708-12, 27th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.
- (c) The principal share registrar and transfer office is Bank of Butterfield International (Cayman) Limited at Butterfield House, Fort Street, P.O. Box 705, George Town, Grand Cayman, Cayman Islands and the Hong Kong branch share registrar and transfer office is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The company secretary and the qualified accountant of the Company appointed pursuant to Chapter 3.24 of the Listing Rules is Mr. Fung Chi Kwan, Nicholas, an associated member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants.