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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 AGREEMENTS WITH THE CONTRACTORS**

The Board is pleased to announce that on 3 April 2009, Dongguan Dongzhou entered into the Construction Agreement 1 with Contractor 1 and the Construction Agreement 2 with Contractor 2 in relation to the Petrochemical Storage Facility Construction Project.

Pursuant to the Construction Agreements, the Contractors will, among other things, construct certain petrochemical storage facilities encompassing storage tanks and ancillary production and office facilities in Daliu Administrative Region, Lisha Island, Shatian County, Dongguan, Guangdong Province, the PRC (中國廣東省沙田鎮立沙島大流管理區) for Dongguan Dongzhou.

The total sum payable by Dongguan Dongzhou to Contractor 1 pursuant to the Construction Agreement 1 is RMB68,000,000 (equivalent to approximately HK\$77,273,000), and the total sum payable by Dongguan Dongzhou to Contractor 2 pursuant to the Construction Agreement 2 is RMB119,390,000 (equivalent to approximately HK\$135,670,000).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Contractors is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the Company.

The entering into of the Construction Agreements constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

The Board is pleased to announce that on 3 April 2009, Dongguan Dongzhou entered into the Construction Agreement 1 with Contractor 1 and the Construction Agreement 2 with Contractor 2 in relation to the Petrochemical Storage Facility Construction Project, respectively. Pursuant to the Construction Agreements, the PRC Parties will, among other things, construct certain petrochemical storage facilities encompassing liquid product storage tanks and ancillary production and office facilities in Daliu Administrative Region, Lisha Island, Shatian County, Dongguan, Guangdong Province, the PRC (中國廣東省沙田鎮立沙島大流管理區) for Dongguan Dongzhou.

## PRINCIPLE TERMS OF THE CONSTRUCTION AGREEMENTS

### Construction Agreement 1

Date: 3 April 2009

Parties:

1. Dongguan Dongzhou; and
2. Contractor 1, which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the Company.

Responsibilities of Contractor 1 under the Construction Agreement 1 include:

1. To be responsible for the installation and maintenance of the piping, wiring, lighting and equipments in the fire dams, buildings and structures, and the construction of the test control room, sewage pool, sewage processing unit, liquid chemical waste containers, foam station, etc. within the construction site in accordance with the national or industrial standards;
2. To provide project progress report and schedule to the supervising engineer;
3. To be responsible for the security of the construction site; and
4. To abide the traffic, environmental protection, noise control, work safety regulations and handle all relevant procedures.

Responsibilities of Dongguan Dongzhou under the Construction Agreement 1 include:

1. To be responsible for the site formation works necessary for the construction site to house the facilities contemplated in the Construction Agreement 1.
2. To provide surveying information of the construction site;
3. To be responsible for the application of the construction permit and other essential licenses and approvals; and
4. To coordinate and handle the protection of the surrounding buildings, structures and plants.

Tentative time table: Construction works shall be completed by 1 January 2010.

Contracted sum: The total sum payable under the Construction Agreement is RMB68,000,000 (equivalent to approximately HK\$77,273,000).

Payment terms:

- 15% of the fee, being RMB10,200,000, shall be paid by Dongguan Dongzhou to Contractor 1 within seven business days of the agreement as down payment;
- 70% of the fee, being RMB47,600,000, shall be paid by Dongguan Dongzhou to Contractor 1 in monthly installments with reference to the progress of the works completed in each month;
- 10% of the fee, being RMB6,800,000, shall be paid by Dongguan Dongzhou to Contractor 1 within 28 days of the acceptance of the completion of all works; and
- 5% of the consideration, being RMB3,400,000, shall be retained by Dongguan Dongzhou as quality assurance funds and be paid to Contractor 1 within 14 days after the end of the quality assurance period, having deducted losses suffered by Dongguan Dongzhou as a result of any work defects.

Quality assurance period: 1 year from the acceptance of the completion of all works under Construction Agreement 1.

## **Construction Agreement 2**

Date: 3 April 2009

Parties:

1. Dongguan Dongzhou; and
2. Contractor 2, which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the Company.

Responsibilities of Contractor 2 under the Construction Agreement 2 include:

1. To be responsible for the construction and maintenance of the liquid product storage tanks, water containers, gas containers, refrigeration station, power substation, pump rooms, air pressure station and the installation of the piping, lighting and equipments in the buildings and structures, etc. within the construction site in accordance with the national or industrial standards;
2. To provide project progress report and schedule to the supervising engineer;

	<ol style="list-style-type: none"> <li>3. To be responsible for the security of the construction site;</li> <li>4. To abide the traffic, environmental protection, noise control, work safety regulations and handle all relevant procedures.</li> </ol>
Responsibilities of Dongguan Dongzhou include:	<ol style="list-style-type: none"> <li>1. To be responsible for the site formation works necessary for the construction site to house the facilities contemplated in the Construction Agreement 2.</li> <li>2. To provide surveying information of the construction site;</li> <li>3. To be responsible for the application of the construction permit and other essential licenses and approvals; and</li> <li>4. To coordinate and handle the protection of the surrounding buildings, structures and plants.</li> </ol>
Tentative time table:	Construction works shall be completed by 1 January 2010.
Contracted sum:	The total sum payable under the Construction Agreement is RMB119,390,000 (equivalent to approximately HK\$135,670,000).
Payment terms:	<ul style="list-style-type: none"> <li>• 15% of the fee, being RMB17,908,500, shall be paid by Dongguan Dongzhou to Contractor 2 within seven business days of the date of the agreement as down payment;</li> <li>• 70% of the fee, being RMB83,573,000, shall be paid by Dongguan Dongzhou to Contractor 2 in monthly installments with reference to the progress of the works completed in each month;</li> <li>• 10% of the fee, being RMB11,939,000, shall be paid by Dongguan Dongzhou to Contractor 2 within 28 days of the acceptance of the completion of all works; and</li> <li>• 5% of the fee, being RMB5,969,500, shall be retained by Dongguan Dongzhou as quality assurance funds and be paid to Contractor 2 within 14 days after the end of the quality assurance period, having deducted losses suffered by Dongguan Dongzhou as a result of any work defects.</li> </ul>
Quality assurance period:	1 year from the acceptance of the completion of all works.

## **SOURCE OF FUNDING**

The Board intends that the payment of the contracted sums under the Construction Agreements shall be financed by the internal resources of the Group and the bank facilities currently available to the Group.

## **REASONS FOR ENTERING INTO THE CONSTRUCTION AGREEMENTS**

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

It has been the Group's intention to enhance its competitive edge in the terminalling and storage business in the Pearl River Delta region in the PRC in the coming years. The Board considers that the construction of the liquid product storage tanks and the ancillary facilities pursuant to the Construction Agreements is in line with the Group's plan to build and develop an oil, gas and petrochemical terminal with storage facilities in Dongguan Humen, the PRC and will, upon completion and operation of the facilities, enable the Group to enhance its market share in this industry. The Board expects that liquid product storage tanks with a total capacity of 258,700 m<sup>3</sup> will be constructed pursuant to the Construction Agreements.

To the best information, knowledge and belief of the Directors, Contractor 1 is a professional chemical and petroleum engineering construction corporation administered by China National Petroleum Corporation (中國石油天然氣集團公司), a stated-owned enterprise in the PRC.

To the best information, knowledge and belief of the Directors, Contractor 2 is a state-owned enterprise and a contractor specialised in petrochemical construction works, electrical and mechanical equipment installation, fire facilities installation and piping works.

In view of the expertise of the Contractors in petrochemical engineering, the Directors are of the view that the contracting of the construction and installation works of the storage tanks and the ancillary facilities to the Contractors pursuant to the Construction Agreements will enable the Group to better control the quality of the works and the resources to be devoted in the Petrochemical Storage Facility Construction Project.

The Directors (including the independent non-executive Directors) consider that the Construction Agreements were entered into after arm's length negotiation and on normal commercial terms and the terms of the Construction Agreements are fair and reasonable so far as the shareholders of the Company are concerned and are in the interest of the Company and its shareholders as a whole.

## **GENERAL**

The entering into of the Construction Agreements constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Hans Energy Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Construction Agreements”	collectively, Construction Agreement 1 and Construction Agreement 2
“Construction Agreement 1”	the construction agreement dated 3 April 2009 entered into between Dongguan Dongzhou and Contractor 1 in relation to the Petrochemical Storage Facility Construction Project
“Construction Agreement 2”	the construction agreement dated 3 April 2009 entered into between Dongguan Dongzhou and Contractor 2 in relation to the Petrochemical Storage Facility Construction Project
“Contractors”	collectively, Contractor 1 and Contractor 2
“Contractor 1”	China Petroleum First Construction Corporation (中國石油天然氣第一建設公司), which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the company
“Contractor 2”	Guangdong Petrochemical Engineering Construction Group Corporation (廣東省石油化工建設集團公司), which to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the Company
“Dongguan Dongzhou”	Dongguan City Dongzhou International Petrochemical Storage Company Limited* (東莞市東洲國際石化倉儲有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company owned as to 92% by the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Petrochemical Storage Facility Construction Project”	the project of the Group to construct certain petrochemical storage facilities encompassing the liquid product storage tanks and ancillary production and office facilities in Daliu Administrative Region, Lisha Island, Shatian County, Dongguan, Guangdong Province, the PRC (中國廣東省沙田鎮立沙島大流管理區), pursuant to the Construction Agreements
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude the Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC

\* *for identification purposes only*

By order of the Board

**David An**  
Chairman

Hong Kong, 3 April 2009

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr David An (Chairman), Mr Fung Chi Kwan, Nicholas, Ms Liu Zhijun and Mr Zhang Lei and three independent non-executive Directors, namely Mr Li Wai Keung, Mr Liu Jian and Mr Chan Chun Wai, Tony.*

*For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of HK\$1.00 = RMB0.88. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*