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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)**

### **PROFIT WARNING**

This announcement is made by Hans Energy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the management’s preliminary assessment of the unaudited management accounts, the Group is expected to record a substantial consolidated net loss for the year ended 31 December 2011 as compared to a profit recorded in the corresponding period ended 31 December 2010.

Guangdong (Panyu) Petrochemical Storage & Transportation Ltd.\* (粵海(番禺)石油化工儲運開發有限公司), a PRC subsidiary of the Company, and SINOPEC Guangdong Oil Products Company\* (中國石油化工股份有限公司廣東石油分公司) (the “**Lessee**”), a branch company of China Petroleum & Chemical Corporation (中國石油化工股份有限公司) (Stock Code: 386), entered into a oil storage tanks lease agreement (the “**Lease Agreement**”) in 2004. The estimated loss was mainly due to a request made by the Lessee for its unilateral termination of the Lease Agreement since 1 July 2011 because of changes in its business operating conditions.

After repeated consultations and negotiations with the Lessee, no substantive progress has yet been made by the parties as at the date of this announcement. The Company is therefore preparing to take appropriate steps to enforce its rights under the Lease Agreement, including but not limited to apply to the arbitration institution for arbitration. As at the date of this announcement, a volume of approximately 38,500 cubic meters of the oil storage tanks, representing approximately 16% of the oil storage tanks resumed from the Lessee under the Lease Agreement, have been leased to other customers. The Board is of the view that the financial position of the Group remains solid.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts and such information has not been audited or reviewed by the Company's auditors. Details of the performance of the Group for the year ended 31 December 2011 will be disclosed in the audited consolidated annual results announcement of the Company, which is scheduled to be published on 27 March 2012.

Further announcements will be made by the Company as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Hans Energy Company Limited**  
**Fung Chi Kwan, Nicholas**  
*Company Secretary*

Hong Kong, 21 March 2012

*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 identification purpose only*