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HANS ENERGY COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 554)

DISCLOSEABLE TRANSACTION

GRANT OF RIGHTS FOR THE USE OF LAND AND COASTAL LINE IN DONGGUAN HUMEN PORT LISHA ISLAND AREA

The Board is pleased to announce that the PRC Subsidiary, a subsidiary of the Company, entered into the Land and Coastal Line Agreement with Dongguan Humen Port Management Committee on 25 April 2006 in relation to, among other things, the grant of rights for the use and development of the Land and the Coastal Line for a term of 50 years. The Land and the Coastal Line shall be used of the development and operation of oil, gas and liquid petrochemical storage warehouse and port.

Reference is made to the Announcement in relation to, among other things, the granting of the approval by The National Development & Reform Committee authorising the Group to establish a joint venture company in the PRC (“**Project Company**”) with DGHPH to carry out the project of building a new oil, gas and liquid petrochemical storage facility including jetty terminal in Dongguan Humen Port (“**Project**”). As at the date hereof, the Project Company has not yet been incorporated. On 25 April 2006, the PRC Subsidiary entered into the DGHPH Agreement with DGHPH, pursuant to which, among other things, DGHPH confirmed that it will provide support and assistance to the PRC Subsidiary in relation to the incorporation of the Project Company and the operation thereof but it (i) will not participate in the Project and be a party to the Project Company; and (ii) will waive its right in the Project, in consideration of the payment of RMB16,000,000 by the PRC Subsidiary to DGHPH. Pursuant to the DGHPH Agreement, the Project shall be operated by the Project Company, the shareholders of which shall be the PRC Subsidiary and other company appointed by the PRC Subsidiary. In other words, the Project Company as mentioned in the Announcement will be established by the PRC Subsidiary and another subsidiary of the Company.

The Land and Coastal Line Agreement constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. A circular containing, among other things, details of the Land and Coastal Line Agreement will be despatched to the Shareholders for information as soon as practicable.

INTRODUCTION

The Board is pleased to announce that the PRC Subsidiary, a subsidiary of the Company, has entered into the Land and Coastal Line Agreement with Dongguan Humen Port Management Committee on 25 April 2006 in relation to, among other things, the grant of rights for the use and development of the Land and the Coastal line for a term of 50 years subject to the terms and conditions contained therein.

THE LAND AND COASTAL LINE AGREEMENT

Date:	25 April 2006
Parties:	<ul style="list-style-type: none">● the PRC Subsidiary● Dongguan Humen Port Management Committee (東莞市虎門港管理委員會)
Subject matter:	<p>To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dongguan Humen Port Management Committee 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.</p> <p>The rights for the use and development of the land of approximately 653.39 mou (equivalent to approximately 435,459 square metres) (the "Land") and the coastal line of approximately 650 metres (the "Coastal Line") in Dongguan Humen Port Lisha Island Area (虎門港立沙島作業區) for a term of 50 years. The exact size and orientation of the land shall be subject to the land use right licence granted by the State-owned Land Resources Management Bureau, Dongguan, the PRC (東莞市國土資源管理局).</p>
Considerations and payment terms:	<p>The consideration payable under the Land and Coastal Agreement (based on 653.39 mou as the size of the Land) is RMB130,508,500 (equivalent to approximately HK\$125,488,942).</p> <p>The consideration was arrived at and determined after arm's length negotiations between the parties.</p> <p>The consideration shall be satisfied by installment in the following manner:</p> <ul style="list-style-type: none">(i) 10% upon 10 days of the date of the Land and Coastal Line Agreement;(ii) 20% within 10 days from the delivery of the Land (the "Delivery Date");(iii) 25% upon the water, electricity and roads are connected to the Land; and(iv) 45% within 10 days from the date on which the land use right is granted. <p>The consideration will be funded by way of internal resources.</p> <p><i>(Note: The PRC Subsidiary will apply to the State-owned Land Resources Management Bureau, Dongguan, the PRC (東莞市國土資源管理局) for the land use right licence and no further fee will be charged (other than the consideration as set forth in the Land and Coastal Line Agreement and administrative/handling fee, if any) in respect of the rights for the use and development of the Land and Coastal Line.)</i></p>
Usage:	<p>The Land and the Coastal Line shall be used for the development and operation of oil, gas and liquid petrochemical storage warehouse and port.</p>

THE DGHPH AGREEMENT

Reference is made to the Announcement in relation to, among other things, the granting of the approval by The National Development & Reform Committee to the Group authorising the Group to establish a joint venture company in the PRC ("**Project Company**") with DGHPH to carry out the project of building a new oil, gas and liquid petrochemical storage facility including jetty terminal in Dongguan Humen Port ("**Project**"). As at the date hereof, the Project Company has not yet been incorporated.

On 25 April 2006, the PRC Subsidiary entered into the DGHPH Agreement with DGHPH, pursuant to which, among other things, DGHPH confirmed that it will provide support and assistance to the PRC Subsidiary in relation to the incorporation of the Project Company and the operation thereof but it (i) will not participate in the Project and the Project Company and be a party to the Project; and (ii) will abandon its rights in the Project in consideration of the payment of RMB16,000,000 (equivalent to approximately HK\$15,384,615) in cash by the PRC Subsidiary to DGHPH. Pursuant to the DGHPH Agreement, the

Project shall be operated by the Project Company, the shareholders of which shall be the PRC Subsidiary and other company appointed by the PRC Subsidiary. In other words, the Project Company as mentioned in the Announcement will be established by the PRC Subsidiary and another subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, DGHPH 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. The transactions contemplated under the DGHPH Agreement do not constitute any notifiable transactions under Chapter 14 or 14A of the Listing Rules.

INFORMATION ON THE GROUP AND DONGGUAN HUMEN PORT MANAGEMENT COMMITTEE

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dongguan Humen Port Management Committee (東莞市虎門港管理委員會) is a PRC government body authorised to manage matters in relation to the harbours in Dongguan Humen, the PRC.

REASONS FOR ENTERING INTO THE LAND AND COASTAL LINE AGREEMENT

The Group intends 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 entering into of the Land and Coastal Line Agreement will facilitate the Group in building and developing a new oil, gas and petrochemical terminal with storage facilities in Dongguan Humen, the PRC and will, upon implementation and operation of the facilities, enable the Group to enhance its market share in this industry.

It is currently anticipated that the project will become operational in the second half of 2007. According to the current design, the storage tank farm will have a capacity of 910,000 cubic metres, and the terminal will have 12 jetties with docking capacities ranging from 500 dwt to 80,000 dwt. With the construction of the new facilities, it is expected that the Group's storage capacity will increase by approximately 275% (from 330,450 cubic metres to 1,240,450 cubic metres) and 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 Land and Coastal Line Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The transaction contemplated under the Land and Coastal Line Agreement constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. The Company will issue and despatch to its shareholders a circular containing details of the Agreement in compliance with the Listing Rules. A circular containing, among other things, details of the Land and Coastal Line Agreement will be despatched to the Shareholders for information as soon as practicable.

DEFINITIONS

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

“Announcement” means announcement of the Company dated 26 October 2005;

“Board”	means the board of Directors;
“Coastal Line”	means the coastal line of 650 metres in Dongguan Humen Port Lisha Island Area (虎門港立沙島作業區)
“Company”	means Hans Energy Company Limited, a limited company incorporated in Cayman Island with limited liability, whose shares are listed on The Stock Exchange of Hong Kong Limited;
“DGHPH”	mean Dongguan Humen Port Holdings Limited (東莞市虎門港控股有限公司), a company incorporated in the PRC
“DGHPH Agreement”	mean the agreement dated 25 April 2006 and entered into between the PRC Subsidiary and DGHPH, details of which are set out in the section headed “The DGHPH Agreement” of this announcement;
“Director(s)”	means the director(s) of the Company;
“Dongguan Humen Port Management Committee”	means Dongguan Humen Port Management Committee (東莞市虎門港管理委員會), a government body authorized to manage harbour matters within the Humen Port, Dongguan, the PRC;
“Land”	a piece of land adjacent to the Coastal Line with a total area of approximately 653.39 mou (equivalent to approximately 455,459 square metres) in Dongguan Humen Port Shatian Harbour Area (東莞虎門港沙田港區)
“Land and Coastal Line Agreement”	means the agreement dated 25 April 2006 and entered into between the PRC Subsidiary and Dongguan Humen Port Management Committee in relation to, among other things, the rights for use and development of the Land and the Coastal Line;
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	means the People’s Republic of China;
“PRC Subsidiary”	means Guangzhou Economic and Technology Development Zone Zhongsui Petrochemical Development Company Limited (廣州經濟技術開發區中穗石油化工發展有限公司), a company incorporated in the PRC and a subsidiary of the Company indirectly owned as to approximately 92% by the Company to the best of the knowledge, information and belief, after having made all reasonable enquires, the remaining approximately 8% interest in the PRC Subsidiary is owned by independent third parties (as defined in the Listing Rules);
“RMB”	means Renminbi, the lawful currency of the PRC.
“Shareholder(s)”	means the shareholder(s) of the Company; and

“The National Development & Reform Committee” mean The National Development & Reform Committee of the PRC (中國國家發展和改革委員會).

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

For the purposes of this announcement, an exchange rate of RMB1 : HK\$1.04 has been adopted.

As at the date of this announcement, Mr. David An, Ms. Feng Ya Lei, Mr. Zhou Nan Zheng, Mr. William W Liu, Mr. Fung Chi Kwan, Nicholas and Ms. Liu Zhijun are executive directors of the Company and Mr. Li Wai Keung, Mr. Liu Jian and Mr. Chan Chun Wai, Tony are independent non-executive directors of the Company.

Hong Kong, 28 April 2006

*Please also refer to the published version of this announcement in **The Standard**.*