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## HANS ENERGY COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 554)

### ANNOUNCEMENT IN RELATION TO PEARL RIVER PROJECT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

This announcement is made 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 (the "**Board**") of Hans Energy Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that, on 21 October 2005, Dongguan Development and Reform Bureau (東莞市發展和改革局) issued a notice, stating, among other things, that The National Development & Reform Committee of the PRC (中國國家發展和改革委員會) had officially granted an approval (the "**Approval**") to the Group authorising the Group to establish a joint venture company in the People's Republic of China (the "**PRC**") (the "**JV Company**") with Dongguan Humen Port Holdings Limited (東莞市虎門港控股有限公司) ("**DGHPH**") to carry out the project (the "**Pearl River Project**") of building a new oil, gas and liquid petrochemical storage facility, including jetty terminal with a capability to accommodate tankers with capacity up to 80,000 deadweight tons, in Dongguan Humen Port Shatian Harbour Area (東莞虎門港沙田港區) in the PRC. It is expected that, upon the establishment of the JV Company, the investing subsidiary of the Company will hold a 85% equity interest of the JV Company while DGHPH will own the remaining 15% equity interest.

The directors of the Company are of the view that, upon implementation of the Pearl River Project and full operation of the facilities to be built thereunder, the Group's competitive strength in the Pearl River Delta region in the PRC will be enhanced. The Group is now studying the Approval in detail and has begun discussion with DGHPH in respect of the implementation of the Pearl River Project. Nevertheless, detailed proposal, including the amount to be committed, is yet to be finalized.

As at the date of this announcement, the Group is still in the process of finalizing the plan in relation to the implementation of the Pearl River Project and/or the establishment of the JV Company. There is no assurance that the Pearl River Project and/or the establishment of the JV Company will proceed as planned or at all. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. The Company will make such further announcements in relation to the above as and when necessary.

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

Hong Kong, 26th October 2005

As at the date of this announcement, the board of directors of the Company consists of Mr. David An, Ms. Feng Ya Lei, Mr. Zhou Nan Zheng and Mr. Liu Wei as executive directors and Mr. Li Wai Keung, Mr. Liu Jian and Mr. Chan Chun Wai, Tony as independent non-executive directors.