

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HONG KONG ENERGY (HOLDINGS) LIMITED
香港新能源（控股）有限公司

(formerly known as J.I.C. Technology Company Limited)
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

(website: www.hkenergy.com.hk)

VERY SUBSTANTIAL ACQUISITION
PURCHASE OF WIND POWER GENERATION EQUIPMENTS
FOR
THE WIND FARM PROJECT AT SIZIWANG QI REGION, INNER MONGOLIA
AND
RESUMPTION OF TRADING

Further to the announcement of the Company dated 21 April 2008, the Board is pleased to announce that approval has been obtained from the Development and Reform Commission of Siziwang Qi for establishment of a 49.5MW wind farm at Siziwang Qi, Wulanchabu City, Inner Mongolia Autonomous Region, the PRC.

It is estimated that the total investment of the Project will amount to approximately RMB480.5 million (about HK\$540.2 million) and will be funded by the Group's internal resources and/or bank borrowings.

As at the date of this announcement, 2 contracts with an aggregate value of approximately RMB349.8 million (about HK\$393.2 million) have been entered into by the Group for purchase of 33 sets of wind turbine and turbine tower for the Project. It is expected that further contracts will be entered into by the Group for acquisition of other wind power generation equipments for the Project.

The Purchase constitutes a very substantial acquisition for the Company under Rule 14.06 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, shareholders' approval is required in connection with the Purchase. A circular containing further particulars of the Purchase and the notice convening the extraordinary general meeting of the Company will be despatched to the shareholders of the Company as soon as possible in accordance with the requirements of the Listing Rules.

Pending the release of this announcement, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:36 a.m. on 5 June 2008 at the request of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 10 June 2008.

Further to the announcement of the Company dated 21 April 2008, the Board is pleased to announce that approval has been obtained from the Development and Reform Commission of Siziwang Qi for establishment of a 49.5MW wind farm at Siziwang Qi, Wulanchabu City, Inner Mongolia Autonomous Region, the PRC. As disclosed in the said announcement, the wind farm will have thirty-three (33) 1,500-kilowatt wind turbines with an aggregate generating capacity of approximately 49.5 megawatts. For the purpose of constructing the said wind farm, the Group entered into 2 contracts for purchase of 33 sets of wind turbine and turbine tower with an aggregate value of approximately RMB349.8 million (about HK\$393.2 million) which is payable in cash by instalments.

Details of the contracts signed up to the date of this announcement are as follows:

1. Purchase of Wind Turbine

- Date of agreement : 4 June 2008
- Counterparty : 華銳風電科技有限公司 (Sinovel Windtec Co., Ltd.*)
- Principal business : Development, design and sale of wind power generation equipments
- Equipment purchased : 33 sets of wind turbine
- Contract sum : RMB286,784,000 (of which RMB283,531,337 is attributable to the wind turbine and RMB3,252,663 is attributable to installation and other after-sales services, such as trial running and on-site training)
- Payment schedule : – 10% of the contract sum shall be paid within 15 days after signing of the agreement and receipt of the invoice and a bank guarantee from the supplier
- 20% of the contract sum shall be paid within 30 days after the major components of the wind turbine have been delivered to the factory and receipt of the invoice from the supplier (which is expected to be issued on or around 28 February 2009)
- 30% of the contract sum shall be paid within 10 business days after completion of production and acceptance of the first 11 sets of wind turbine and receipt of the invoice from the supplier (which is expected to be issued on or around 31 March 2009)
- 10% of the contract sum shall be paid within 7 days after delivery of the first 11 sets of wind turbine (which is expected to be on or around 31 May 2009)
- 10% of the contract sum shall be paid within 7 days after delivery of the second 11 sets of wind turbine (which is expected to be on or around 30 June 2009)
- 10% of the contract sum shall be paid within 7 days after delivery of the third 11 sets of wind turbine (which is expected to be on or around 30 July 2009)
- 10% of the contract sum shall be paid within 30 days after completion of all trial running and receipt of a bank guarantee from the supplier

2. Purchase of Turbine Tower

- Date of agreement : 4 June 2008
- Counterparty : 中國北車集團濟南機車車輛廠 (CNR Jinan Locomotive & Rolling Stock Plant*)
- Principal business : Manufacture of turbine towers and railway freight wagons
- Equipment purchased : 33 sets of turbine tower
- Contract sum : RMB63,000,000
- Payment schedule : – 5% of the contract sum shall be paid within 15 days after the agreement comes into force
- 30% of the contract sum shall be paid within 30 days after the major sections of the turbine tower have been delivered to the wind farm and receipt of a bank guarantee from the supplier
- 20% of the contract sum shall be paid within 30 days after completion of installation of the first 11 sets of turbine tower
- 20% of the contract sum shall be paid within 30 days after completion of installation of the second 11 sets of turbine tower
- 20% of the contract sum shall be paid within 30 days after completion of installation of the third 11 sets of turbine tower
- 5% of the contract sum shall be paid within 30 days after 12 months of delivery of the third 11 sets of turbine tower and receipt of a guarantee from the supplier's parent company

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the above counterparties and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The above counterparties were selected through a tender process with the participation of at least three tenderers for each contract. The tender was open for approximately one month and a selection committee, comprising seven members from the senior management of the Group, was formed to consider the tenders submitted. In general, reference would have had to the price, quality, delivery schedule, track record and reputation of the suppliers when making the decision. The price submitted by the above counterparties is the lowest among all other tenderers. Taking into account the above factors and the fact that the contract sum reflects the market rates of such machinery and equipments, the Directors consider the terms of the above purchase contracts to be fair and reasonable and in the interest of the Company and its shareholders as a whole.

It is expected that further contracts will be entered into by the Group for acquisition of other wind power generation equipments for the Project including, but not limited to, turbine transformers, main transformers, magnetic control reactive power compensators, isolators, lightning arresters, etc. The total investment of the Project is estimated to be approximately RMB480.5 million (about HK\$540.2 million) which will be funded by the Group's internal resources and/or bank borrowings. Pursuant to Rule 14.22 of the Listing Rules, further purchases of such equipments may be aggregated and treated as if they were one transaction if they are all completed within a 12 month period and the Company must comply with the requirements for the relevant classification of the transaction when aggregated. This would mean that the Company would have to issue an announcement and convene an extraordinary general meeting each time a new contract is entered into and the Directors believe that this would not be in the interest of the Company and its shareholders. Therefore, the Directors propose to seek a general authority from its shareholders to enter into contracts for the Purchase up to a maximum amount of RMB500 million (about HK\$562.1 million) (with a reasonable buffer of approximately 4% to cover any increase in cost as a result of inflation) during a period of 12 months from the date of such shareholders' approval.

It is expected that all suppliers of such equipments will be selected through tender process and in accordance with the tender procedures laid down by the Group. The selection committee, as set forth above, will continue to review the tenders submitted by such suppliers having regard to, among other things, the price, quality, delivery schedule, track record and reputation of such suppliers. The Group will then enter into negotiations with the short-listed suppliers to ensure that the final contract price would be comparable to the market rates for similar machinery and equipments. It is not expected that any supplier will be a connected person of the Company as no connected person of the Company is, to the best of the knowledge, information and belief of the Directors, engaged in the business of supplying wind power generation equipments. In the event that any supplier turns out to be a connected person of the Company, the Company will comply with the relevant disclosure, notification and shareholders' approval requirements of the Listing Rules.

The Company is an investment holding company and its subsidiaries are principally engaged in alternative energy business and software development business. The Purchase is made to facilitate the construction of the wind farm at Siziwang Qi, Wulanchabu City, Inner Mongolia Autonomous Region, the PRC and is in line with the expansion plan of the Group to become the principal vehicle in the area of alternative energy businesses.

The Purchase constitutes a very substantial acquisition for the Company under Rule 14.06 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, shareholders' approval is required in connection with the Purchase. A circular containing further particulars of the Purchase and the notice convening the extraordinary general meeting of the Company will be despatched to the shareholders of the Company as soon as possible in accordance with the requirements of the Listing Rules.

Pending the release of this announcement, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:36 a.m. on 5 June 2008 at the request of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 10 June 2008.

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

“Board”	the board of Directors
“Company”	Hong Kong Energy (Holdings) Limited (formerly known as J.I.C. Technology Company Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Project”	the 49.5MW wind farm project at Siziwang Qi, Wulanchabu City, Inner Mongolia Autonomous Region, the PRC
“Purchase”	the purchase, and proposed purchase, of various wind power generation equipments as contemplated under the Project
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Hong Kong Energy (Holdings) Limited
Tsang Sai Chung, Kirk
Company Secretary

Hong Kong, 6 June 2008

As at the date of this announcement, the Board comprises eight Directors of which Mr. Oei Kang, Eric, Mr. Chen Libo, Mr. Tsang Sai Chung, Kirk and Mr. Chan Kwok Fong, Joseph are executive Directors; Mr. Liu Zhixin is a non-executive Director; and Mr. Zhang Songyi, Mr. Tang Siu Kui, Ernest and Mr. Yu Hon To, David are independent non-executive Directors.

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.1242.

** The unofficial English transliterations or translations are for identification purposes only.*

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