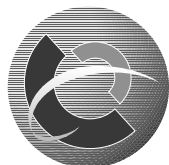


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HONG TONG HOLDINGS LIMITED
泓通控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**DISCLOSEABLE TRANSACTION:
TERMINATION OF THE CO-OPERATION AGREEMENT
AND ENTERING INTO OF A TRIPARTITE CO-OPERATION AGREEMENT
FOR THE FORMATION OF JOINT VENTURE IN
THE PEOPLE'S REPUBLIC OF CHINA,
TERMINATION OF THE PLACING,
ENTERING INTO OF A PLACING UNDERWRITING AGREEMENT
FOR PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

PLACING AGENT



Kingston Securities Limited

The Tripartite Co-operation Agreement

On 13 February 2004, HTH, China Sciences Group and Guangzhou Huandao entered into Tripartite Co-operation Agreement relating to, among other things, the termination of the Co-operation Agreement and the formation of the Dongguan JV for the waste incineration and processing business project in Dongguan, the PRC.

Under the Tripartite Co-operation Agreement, the interest of the Group in the Dongguan JV will reduce from 90% to 51%. Each of HTH, China Sciences Group and Guangzhou Huandao will be interested in 51%, 10% and 39% of the equity interest of the Dongguan JV, respectively. The registered capital of the Dongguan JV will be RMB100 million (equivalent

to approximately HK\$94.3 million) and to be contributed as to RMB51 million (equivalent to approximately HK\$48.1 million) by HTH, as to RMB10 million (equivalent to approximately HK\$9.4 million) by China Sciences Group and as to RMB39 million (equivalent to approximately HK\$36.8 million) by Guangzhou Huandao.

China Sciences Group and Guangzhou Huandao are not connected persons of the Company within the meaning of the Listing Rules. China Sciences Group and Guangzhou Huandao are independent of each other and neither entity has any shareholding interest in the other entity nor the subsidiaries of the other entities.

The formation of the Dongguan JV will constitute a discloseable transaction for the Company under the Listing Rules. A circular containing details of the Tripartite Co-operation Agreement will be dispatched to Shareholders as soon as practicable and within 21 days from the date of this announcement.

The Letter of Intent

On 17 February 2004, HTH and Beijing Xuce entered into the Letter of Intent for the acquisition of a 33% interest in BCS General Energy & Environment. The Proposed Acquisition is subject to the completion of a due diligence exercise within three months from the date of the Letter of Intent and the negotiation and finalization of the terms of the Proposed Acquisition. Accordingly, the Proposed Acquisition may or may not be consummated.

Beijing Xuce is not a connected person of the Company within the meaning of the Listing Rules.

Further announcement will be made by the Company in respect of the Proposed Acquisition as and when appropriate.

Termination of the Placing

On 17 February 2004, the Company and the Placing Agent entered into the Termination Agreement to terminate the Placing Agreement, as supplemented by the Supplemental Agreement and the Second Supplemental Agreement.

The New Placing

On 17 February 2004, the Company and the Placing Agent entered into the Placing Underwriting Agreement, pursuant to which the Company has conditionally agree to place, through the Placing Agent on a fully underwritten basis, 53,712,000 Placing Shares to independent investors at a price of HK\$0.80 per Placing Share.

The Placing Shares represents approximately 20% of the existing issued share capital of the Company of 268,560,000 Shares and approximately 16.67% of the issued of the Company of 322,272,000 Shares as enlarged by the Placing Shares.

The net proceeds form the New Placing will be approximately HK\$41.6 million which will be applied towards partial funding the Company's portion of capital contribution to the Dongguan JV.

The Placing Price of HK\$0.80 is the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 13 February 2004, being the last trading day before the date of this announcement; and represents (i) a discount of approximately 3.96% to the average closing price of HK\$0.833 per Share as quoted on the Stock Exchange for the last ten trading days ended on 13 February 2004, being the last trading day before the date of this announcement; and (ii) a premium of approximately 19.40% to the net tangible asset value per Share of HK\$0.67 as at 30 September 2003, the date of the latest published accounts of the Company.

The New Placing is conditional upon, among other things, the granting of the listing of and permission to deal in the Placing Shares by the Stock Exchange on or before 2 March 2004.

The Placing Price was negotiated at arm's length basis between the Company and the Placing Agent. The Directors consider the terms of the New Placing to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The New Placing is subject to termination on the occurrence of, amongst other things, any event of force majeure as set out in the paragraph headed "The Placing and the New Placing – Termination and force majeure" below.

Resumption of trading

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on Monday, 16 February 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 18 February 2004.

THE DONGGUAN JV

References is made to the circulars issued by the Company dated 27 October 2003 and 14 January 2004 and the announcements made by the Company dated 7 October 2003, 28 November, 2 December and 24 December 2003, respectively, relating to, among others, the possibility of formation of joint venture companies in the PRC between the Group and China Sciences Group to carry out the business of waste incineration and processing in the PRC, the entering into of a framework agreement on 2 December 2003 for the Dongguan JV and the entering into of the Co-operation Agreement on 24 December 2003 for the formation of the Dongguan JV.

The Tripartite Co-operation Agreement

Further to the framework agreement dated 2 December 2003, HTH and China Sciences Group on 24 December 2003 entered into the Co-operation Agreement relating to the formation of the Dongguan JV for the waste incineration and processing business project in Dongguan, the PRC. The Co-operation Agreement sets out the detail terms of the Dongguan JV on the basis of the basic terms set out in the framework agreement dated 2 December 2003. Details of the Co-operation Agreement were set out in the announcement made by the Company dated 24 December 2003 and the circular issued by the Company dated 14 January 2004, respectively.

Subsequent to the entering into of the Co-operation Agreement, for the reasons set out in the paragraph headed “Reasons for entering into of the Tripartite Co-operation Agreement” in this section below, HTH and China Sciences Group agreed to join Guangzhou Huandao as a partner to the Dongguan JV. HTH, China Sciences Group and Guangzhou Huandao on 13 February 2004 entered into the Tripartite Co-operation Agreement for the termination of the Co-operation Agreement and the formation of the Dongguan JV for the waste incineration and processing business project in Dongguan, the PRC.

Pursuant to the Tripartite Co-operation Agreement, HTH and China Sciences Group agreed to terminate the Framework Agreement and the Co-operation Agreement. All rights and obligations of HTH and China Sciences Group under the Framework Agreement and the Co-operation Agreement shall cease and neither party shall have any liabilities towards the other party under the Framework Agreement and the Co-operation Agreement.

With the termination of the Co-operation Agreement and the entering into of the Tripartite Co-operation Agreement, the terms for formation of the Dongguan JV will be governed by the Tripartite Co-operation Agreement. The terms of the Tripartite Co-operation Agreement for the formation of the Dongguan JV are the same as those of the Co-operation Agreement save and except (i) the percentage of equity interest of the Group in the Dongguan JV; and (ii) the amount of contribution to the registered capital of the Dongguan JV to be made by the Group.

The following are the principal terms of the Dongguan JV in accordance with the terms of Tripartite Co-operation Agreement:

Parties : (1) HTH, an indirect wholly owned subsidiary of the Company;

(2) China Sciences Group; and

(3) Guangzhou Huandao.

China Sciences Group, Guangzhou Huandao and their respective beneficial owners are not connected persons of the Company within the meaning of the Listing Rules.

Registered capital : The registered capital of the Dongguan JV will be RMB100,000,000 (equivalent to approximately HK\$94.3 million) and to be contributed as to RMB51 million (equivalent to approximately HK\$48.1 million) by HTH, as to RMB10 million (equivalent to approximately HK\$9.4 million) by China Sciences Group and as to RMB39 million (equivalent to approximately HK\$36.8 million) by Guangzhou Huandao, in proportion to their respective equity interest in the Dongguan JV.

The registered capital is to be paid by the parties in one lump sum within 5 days from the date of the issue of the business licence for the Dongguan JV. The Group's contribution to the registered capital

of the Dongguan JV will be funded as to approximately HK\$41.6 million by the proceeds from the New Placing and as to remaining approximately HK\$6.5 million by the part of the proceeds from the placing as announced in an announcement made by the Company dated 23 September 2003.

The registered capital is determined by the parties by arm's length negotiation taking into account the cost required to set up the operation of the Dongguan JV, which includes the expected cost for purchasing the requisite equipment, construction of the plant and initial working capital for the operation of the Dongguan JV.

- Total investment : The total investment of the Dongguan JV will be RMB322 million (equivalent to approximately HK\$303.6 million). The portion of the total investment in excess of the registered capital in the amount of RMB222 million (equivalent to approximately HK\$209.3 million) will be raised by the Dongguan JV by way of external borrowings.
- Term : The term of the Dongguan JV will be 25 years from the date of the issue of the business licence of the Dongguan JV.
- Equity ratio : The Dongguan JV will be held as to 51% by HTH, as to 10% by China Sciences Group and as to 39% by Guangzhou Huandao.
- Profit and loss sharing ratio : Profit and loss of the Dongguan JV will be shared by HTH, China Sciences Group and Guangzhou Huandao in the proportion of 51%, 10% and 39%, respectively, in proportion to their respective equity interest.
- Board representation : Under the Tripartite Co-operation Agreement, the board of the Dongguan JV will comprise of not more than 10 directors to be appointed by HTH, China Sciences Group and Guangzhou Huandao in proportion to their respective equity interest in the Dongguan JV.

However, the parties agreed that the board of directors will initially be comprised of 7 directors, to be appointed as to 3 directors by

HTH, as to 2 directors by China Sciences Group and as to 2 directors by Guangzhou Huandao. The chairman and the vice-chairman of the board of directors of the Dongguan JV will be a director nominated by HTH and Guangzhou Huandao, respectively. Should the parties decided to appoint up to the maximum number of directors, based on the current board composition, HTH will be entitled to appoint two directors and Guangzhou Huandao will be entitled to appoint one director.

Scope of business : The Dongguan JV will carry out waste incineration and processing business in Dongguan, the PRC.

The formation of the Dongguan JV is subject to the approval by the relevant PRC authorities. In the event, the relevant approval cannot be obtained within 120 days from the date of the Tripartite Co-operation Agreement, that is, 11 June 2004, any one party can terminate the Tripartite Co-operation Agreement without further liability to the other parties.

The terms of the Tripartite Co-operation Agreement are agreed upon after arm's length negotiation between the parties and the Directors are of the view that the terms of the Tripartite Co-operation Agreement are fair and reasonable in so far as the Shareholders are concerned.

On 13 February 2004, BCS General Energy & Environment has also given an undertaking to HTH and Guangzhou Huandao undertaking to provide to the Dongguan JV the necessary technical support for the carrying out of the business of waste incineration and processing upon formation of the Dongguan JV and will enter into a technology support agreement for the provision of such services. The undertaking was given in substitution for and on the same terms as the one given by BCS General Energy & Environment to HTH on 24 December 2003. Details of the services to be provided by BCS General Energy & Environment have yet to be agreed between BCS General Energy & Environment and Dongguan JV upon its formation.

Upon formation of the Dongguan JV, the Dongguan JV will become an indirect subsidiary of the Company. BCS General Energy & Environment, being a 54.9% subsidiary of China Sciences Group, which is interested in 10% of the equity interest of the Dongguan JV and a substantial shareholder of the Dongguan JV, will become a connected person of the Company within the meaning of the Listing Rules upon formation of the Dongguan JV. The provision of technology support services by BCS General Energy & Environment to Dongguan JV will constitute on-going connected transaction of the Company. The Company will comply with all the

requirements of the Listing Rules in relation to the provision of technology support services by BCS General Energy & Environment to Dongguan JV upon finalization of the terms of the technology support agreement and the entering into of the same.

Further announcement will be made by the Company in the event of any change in the terms relating to the Dongguan JV as set out in the Tripartite Co-operation Agreement.

Reasons for the entering into of the Tripartite Co-operation Agreement

The Group is principally engaged in electrical engineering contracting business, trading in electrical equipment and materials in private sector in Hong Kong and the PRC and provision of corporate and business consultancy services, direct investments securities brokerage services in Hong Kong.

As mentioned in the announcement made by the Company dated 24 December 2003 and the circular issued by the Company dated 14 January 2004, the entering into of the Co-operation Agreement for the formation of the Dongguan JV represents a further step by the Group to diversify into the business of waste incineration and processing. The Directors are of the view that the income generated from the operation of the waste incineration and processing business of the Dongguan JV will provide the Group with the diversification. At the same time, the Directors expect that the construction of the waste incineration plants and the related electrical engineering projects will provide the Group with an opportunity to participate in the construction of the waste incineration plants and in the electrical engineering contracting services so as to create a synergy with the existing business of the Group. Hence, the formation of the Dongguan JV is in line with the corporate strategy of the Group to minimize the adverse impact arising from the contraction of the electrical engineering market by way of vertical integration into construction related businesses and horizontal diversification.

The total investment of the Dongguan JV will be RMB322 million (equivalent to approximately HK\$303.6 million) to be funded by contribution to the registered capital of the Dongguan JV in the amount of RMB100 million (equivalent to approximately HK\$94.3 million) and by external borrowings in the amount of RMB222 million (equivalent to approximately HK\$209.3 million). The Directors believe that Guangzhou Huandao, which has established relationship with financial institutions will be able to assist the Dongguan JV in obtaining the required financing from the financial institutions. Therefore, it is considered beneficial to invite Guangzhou Huandao to become a partner of the Dongguan JV.

Taking into account the above factors, the Directors are of the view that the entering into of the Tripartite Co-operation Agreement is in the interests of the Shareholders of the Company.

THE PROPOSED ACQUISITION

On 17 February 2004, HTH and Beijing Xuce entered into the Letter of Intent for the acquisition of a 33% interest in BCS General Energy & Environment. BCS General Energy & Environment is a subsidiary of China Sciences Group and the holder of certain technology for application in waste incineration and processing. As mentioned in the paragraph headed “The Dongguan JV – The Tripartite Co-operation Agreement” above, upon formation of the Dongguan JV, BCS General Energy & Environment will entered into a technology support agreement with the Dongguan JV to provide the Dongguan JV with the necessary technical support. As BCS General Energy & Environment holds certain technology for application in waste incineration and processing, the Directors consider the Proposed Acquisition as part of the diversification strategy of the Group into the waste incineration and processing business. The Director also consider the Proposed Acquisition to be beneficial to the Company as it would enable the Company to have an interest in BCS General Energy & Environment, which will provide technical support to the Dongguan JV.

The Proposed Acquisition is subject to the completion of a due diligence exercise within three months from the date of the Letter of Intent and the negotiation and finalization of the terms of the Proposed Acquisition. In the event the Company proceeds with the Proposed Acquisition, disclosure / approval requirements under the Listing Rules will be complied with by the Company.

Beijing Xuce is not a connected person of the Company within the meaning of the Listing Rules.

Further announcement will be made by the Company in respect of the Proposed Acquisition as and when it is appropriate.

THE PLACING AND THE NEW PLACING

Reference is made to the announcements made by the Company dated 28 November and 24 December 2003 and 20 January 2004, respectively, relating to the placing of 53,712,000 Shares to independent investors at a price of HK\$1.30 per Share.

On 17 February 2004, the Company and the Placing Agent

- (a) entered into the Termination Agreement to terminate the Placing Agreement, as supplemented by the Supplemental Agreement and the Second Supplemental Agreement; and
- (b) entered into the Placing Underwriting Agreement, pursuant to which the Company has conditionally agree to place, through the Placing Agent on a fully underwritten basis, 53,712,000 Placing Shares to independent investors at a price of HK\$0.80 per Placing Share.

The Termination Agreement dated 17 February 2004

On 17 February 2004, the Company and the Placing Agent entered into the Termination Agreement to terminate the Placing Agreement, as supplemented by the Supplemental Agreement and the Second Supplemental Agreement. Upon termination of the Placing Agreement pursuant to the Termination Agreement, neither party will have any liabilities towards the other party.

The Placing Underwriting Agreement dated 17 February 2004

Issuer

The Company

Placing Agent

The Placing Agent is not a connected person of the Company within the meaning of the Listing Rules.

Placees

The Placing Shares will be placed to independent individual, corporate and/or institutional investors to be procured by the Placing Agent and not fewer than six placees. The placees and their respective ultimate beneficial owners will not be connected persons of the Company within the meaning of the Listing Rules.

Placing Shares

The Placing Shares represents approximately 20% of the existing issued share capital of the Company of 268,560,000 Shares and about 16.67% of the issued of the Company of 322,272,000 Shares as enlarged by the Placing Shares.

The Placing Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.80 is the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 13 February 2004, being the last trading day before the date of this announcement; and represents (i) a discount of approximately 3.96% to the average closing price of HK\$0.833 per Share as quoted on the Stock Exchange for the last ten trading days ended on 13 February 2004, being the last trading day before the date of this announcement; and (ii) a premium of approximately 19.40% to the net tangible asset value per Share of HK\$0.67 as at 31 March 2003, the date of the latest published accounts of the Company.

The Placing Price was negotiated at arm's length basis between the Company and the Placing Agent. The Directors consider the terms of the New Placing to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 17 November 2003. The Company confirmed that the general mandate has not been utilized as at the date of the Placing Underwriting Agreement.

Conditions of the New Placing

Completion of the New Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares by 2 March 2004 or such other date as may be agreed by the placing Agent and the Company;

- (b) the Company obtaining all consents and approvals from the relevant authorities, if applicable; and
- (c) the obligations of the Placing Agent becoming unconditional and not being terminated in accordance with the terms of the Placing Underwriting Agreement, including provisions regarding force majeure event.

Termination and force majeure

The Placing Underwriting Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on 5 March 2004, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Underwriting Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or**
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or**

- (iv) **the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Underwriting Agreement; or**
- (v) **the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Underwriting Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its absolute opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,**

Completion of the New Placing

Completion of the New Placing is expected to take place on or before the third business day after the fulfillment of all the conditions set out in the Placing Underwriting Agreement.

Reasons for the New Placing and use of proceeds

Cost of the New Placing will be borne by the Company. The net proceeds from the New Placing will be approximately HK\$41.6 million which will be applied towards partial funding the Company's portion of capital contribution to the Dongguan JV.

As stated in the announcement made by the Company dated 28 November 2003, it is the intention of the Company to apply the proceeds from the Placing to make investments in waste incineration and processing business projects in the PRC. Having identified the waste incineration and processing business project in Dongguan, the PRC, it is now the intention of the Company to apply the entire net proceeds from the New Placing in the amount of HK\$41.6 million, to partially finance its portion of contribution to the registered capital of the Dongguan JV.

Effect on shareholding structure

The existing shareholding structure of the Company and the shareholding structure of the Company upon completion of the New Placing are as follows:

	Existing shareholding structure		Shareholding structure upon completion of the New Placing	
	Number of Shares held	Percentage of issued share capital (approximately)	Number of Shares held	Percentage of issued share capital (approximately)
YSH Investments Limited (<i>Note 1</i>)	58,916,000	21.94%	58,916,000	18.28%
Highworth Venture Limited (<i>Note 2</i>)	54,900,000	20.44%	54,900,000	17.04%
AWH Fund Ltd.	27,366,000	10.19%	27,366,000	8.49%
Placees	–	–	53,712,000	16.67%
Public	127,378,000	47.43%	127,378,000	39.52%
Total	268,560,000	100.00%	322,272,000	100.00%

Note:

1. YSH Investments Limited is beneficially owned as to 90.4% by Mr. Lai Sai Sang, the former chairman of the Company and an existing director of certain subsidiaries of the Company.
2. Highworth Venture Limited is wholly owned by Mr. Hon Ming Kong, the Chairman and an Executive Director of the Company now.

Application for listing

Application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

Capital raising activities of the Group during the 12 months immediately before the date of this announcement

In addition to the Placing, which was terminated pursuant to the Termination Agreement, the Group has engaged in the following capital raising activities during the 12 months immediately before the date of this announcement:

Date of announcement	Description of the capital raising activity	Amount of net proceeds	Intended use of the net proceeds as announced	Actual use of the net proceeds as at the date of this announcement
23 September 2003	Placing of 44,760,000 Shares at the price of HK\$1.18 per Share	HK\$51.1 million	Making of future investments, inter alia, the proposed waste incineration and processing projects in the PRC and working capital	<ul style="list-style-type: none">- approximately HK\$3.8 million has been used as operating expenses in identifying future investments;- approximately HK\$6.5 million to finance part of the Group's contribution to the registered capital of the Dongguan JV;- approximately HK\$40.8 million to be used as general working capital of the Group

GENERAL

The formation of the Dongguan JV, if proceed, will constitute a discloseable transaction for the Company under the Listing Rules and the Company will comply with the requirements of the Listing Rules. A circular containing details of the Tripartite Co-operation Agreement will be dispatched to Shareholders as soon as practicable and within 21 days from the date of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effected from 9:30 a.m. on Monday, 16 February 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 18 February 2004.

DEFINITIONS

Terms used in this announcement shall have the following meanings unless otherwise defined:

“associates”	has the meaning ascribed thereto in the Listing Rules;
“Beijing Xuce”	北京旭策置業有限公司 (Beijing Xuce Development Co., Ltd.)*, a company incorporated in the PRC and is interested in 33% of the issued share capital of BCS General Energy & Environment. It is an independent third party and not a connected person of the Company within the meaning of the Listing Rules and is not related to China Sciences Group;
“Board”	the board of Directors;
“BCS General Energy & Environment”	北京中科通用能源環保有限責任公司 (Beijing China Sciences General Energy & Environment Co., Ltd.)*, a company incorporated in the PRC and owned as to 54.9% by China Sciences Group and as to 45.1% by 20 individuals who are independent third parties and not connected persons of the Company within the meaning of the Listing Rules;
“China Sciences Group”	中科實業集團(控股)公司 (China Sciences Enterprise Group (Holding) Corporation)*, a large scale enterprise group established by 中國科學院 (Chinese Academy of Science);
“Company”	Hong Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Co-operation Agreement”	the co-operation agreement dated 24 December 2003 and entered into between HTH and China Sciences Group, the particulars of which are set out in the announcement made by the Company dated 24 December 2003 and the circular issued by the Company dated 14 January 2004;
“Directors”	the directors of the Company;

“Dongguan JV”	the equity joint venture to be named 東莞中科環保電力有限公司(Dongguan China Sciences Conservational Power Co., Ltd.) and to be established in Dongguan, the PRC pursuant to the Co-operation Agreement;
“Framework Agreement”	the framework agreement dated 2 December 2003 and entered into between HTH and China Sciences Group relating to the formation of the Dongguan JV;
“Group”	the Company and its subsidiaries;
“Guangzhou Huandao”	廣州保稅區環島貿易有限公司 (Guangzhou Tax Bond District Huandao Trading Co., Ltd.)*, a company incorporated in the PRC and owned as to 52% by 廣州恆業創興科技投資有限公司 (Guangzhou Hang Yip Chong Hing Technology Investment Co., Ltd.)* and as to 48% by 劉健先生. Both廣州恆業創興科技投資有限公司(Guangzhou Hang Yip Chong Hing Technology Investment Co., Ltd.)* and 劉健先生 are independent third parties and not connected persons of the Company within the meaning of the Listing Rules;
“HTH”	Hong Tong Hai Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Letter of Intent”	the letter of intent entered into between HTH and Beijing Xuce on 17 February 2004 in relation to the Proposed Acquisition;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“New Placing”	the placing of 53,712,000 new Shares by the Placing Agent on a fully underwritten basis pursuant to the Placing Underwriting Agreement;
“PRC”	The People’s Republic of China;

“Placing”	the placing of 53,712,000 new Shares by the Placing Agent on best effort basis pursuant to the Placing Agreement, as supplemented by the Supplemental Agreement and the Second Supplemental Agreement, as announced in the announcements made by the Company dated 28 November and 24 December 2003 and 20 January 2004, respectively;
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement dated 27 November 2003 and entered into between the Company and the Placing Agent in relation to the Placing;
“Placing Underwriting Agreement”	the conditional placing underwriting agreement dated 17 February 2004 and entered into between the Company and the Placing Agent in relation to the New Placing;
“Placing Price”	HK\$0.80 per Placing Share;
“Placing Shares”	an aggregate of 53,712,000 Shares to be placed pursuant to the New Placing;
“Proposed Acquisition”	the proposed acquisition of a 33% interest in BCS General Energy & Environment by HTH;
“Second Supplemental Agreement”	the second supplemental agreement dated 20 January 2004 and entered into between the Company and the Placing Agent in supplemental to the Placing Agreement and the Supplemental Agreement;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 23 December 2003 and entered into between the Company and the Placing Agent in supplemental to the Placing Agreement;
“Termination Agreement”	the termination agreement dated 17 February 2004 and entered into between the Company and the Placing Agent for the termination of the Placing;
“Tripartite Co-operation Agreement”	the co-operation agreement dated 13 February 2004 and entered into among, HTH China Sciences Group and Guanzhou Huandao, the particulars of which are set out in the paragraph headed “The Dongguan JV – The Tripartite Co-operation Agreement” in this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Reminbi, the lawful currency of the PRC; and
“%”	per cent.

For the purpose of this announcement, HK\$1.00 = RMB1.06. The conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates.

By order of the Board
HONG TONG HOLDINGS LIMITED
Hon Ming Kong
Chairman

Hong Kong, 17 February 2004

* *for identification purposes only*

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