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If you have sold or transferred all your securities in Hong Kong Energy (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

(website: www.hkenergy.com.hk)

PROPOSALS INVOLVING

**(I) GRANTING OF THE GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES,**

(II) RE-ELECTION OF DIRECTORS,

(III) CHANGE OF COMPANY NAME,

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Hong Kong Energy (Holdings) Limited to be held at Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 1 June 2011 at 10:00 a.m. is set out on pages 14 to 17 of this circular. If you are not able to attend the meeting, you are strongly advised to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 9th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

21 April 2011

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 1 June 2011 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	Hong Kong Energy (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKC”	HKC (Holdings) Limited, a Bermuda company whose shares are listed on the main board of the Stock Exchange, is holding approximately 58.95% interest in the Company as at the Latest Practicable Date.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the granting to the Directors a general mandate to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution
“Latest Practicable Date”	15 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

DEFINITIONS

“Name Change”	the proposed change of the Company’s name from “Hong Kong Energy (Holdings) Limited 香港新能源(控股)有限公司” to “China Renewable Energy Investment Limited 中國再生能源投資有限公司”
“Notice of AGM”	the notice convening the AGM as set out at the end of this circular
“Repurchase Mandate”	the granting to the Directors a general mandate to repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial or controlling shareholders”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.



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Executive Directors:

Mr. OEI Kang, Eric *(Chairman and Chief Executive Officer)*

Mr. CHANG Li Hsien, Leslie *(Vice Chairman)*

Dr. YUNG Pak Keung, Bruce *(Managing Director)*

Mr. LEUNG Wing Sum, Samuel

Non-executive Director:

Mr. Tanguy Vincent SERRA

Independent Non-executive Directors:

Mr. ZHANG Songyi

Mr. TANG Siu Kui, Ernest

Mr. YU Hon To, David

Registered office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of

business in Hong Kong:

9th Floor, Tower 1

South Seas Centre

75 Mody Road

Tsimshatsui East

Kowloon

Hong Kong

21 April 2011

*To the Shareholders and, for information purpose only,
the holders of warrants of the Company*

Dear Sir or Madam,

PROPOSALS INVOLVING

**(I) GRANTING OF THE GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES,**

(II) RE-ELECTION OF DIRECTORS,

(III) CHANGE OF COMPANY NAME,

AND

NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with the Notice of AGM and information regarding the resolutions to be proposed at the AGM relating to (i) the grant to the Directors of general mandates to issue and repurchase Shares, (ii) the re-election of Directors and (iii) the Name Change.

ISSUE MANDATE

At the last annual general meeting of the Company held on 1 June 2010, a general and unconditional mandate was given to the Directors to exercise the powers of the Company to issue Shares. Such general mandate will lapse at the conclusion of the AGM. The Directors believe that a renewal of such mandate is in the interest of the Company and the Shareholders. Accordingly, an ordinary resolution will be proposed at the AGM to approve the granting of a fresh general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue immediately after the passing of the resolution. Based on 860,351,992 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Issue Mandate to allot and issue a maximum of 172,070,398 Shares.

In addition, a further ordinary resolution will also be proposed to extend the authority to issue Shares under the Issue Mandate by an additional amount representing such nominal amount of Shares repurchased under the Repurchase Mandate.

The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 1 June 2010, a general and unconditional mandate was also given to the Directors to repurchase Shares. Such general mandate will lapse at the conclusion of the AGM. It is intended that the Board will seek approval from the Shareholders to grant a fresh general mandate for the same purpose. Accordingly, an ordinary resolution will be proposed at the AGM to approve the granting of a general mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately after the passing of the resolution.

An explanatory statement, as required by the Listing Rules, containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in the Appendix to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

At the AGM, Mr. OEI Kang, Eric and Mr. LEUNG Wing Sum, Samuel will retire from office by rotation in accordance with Article 85 of the Articles of Association and being eligible, will offer themselves for re-election to serve for another term. Further, Mr. CHANG Li Hsien, Leslie and Mr. Tanguy Vincent SERRA who were newly appointed by the Board on 1 September 2010 and 23 November 2010 respectively, will also retire from office in accordance with Article 84 of the Articles of Association and will offer themselves for re-election as directors of the Company. Details of the Directors who are proposed to be re-elected at the AGM are set out below:

(a) Mr. OEI Kang, Eric (*Executive Director, Chairman and Chief Executive Officer*)

Mr. OEI Kang, Eric, aged 40, has been appointed as Executive Director, Chairman and Chief Executive Officer of the Company since 10 April 2008. He also holds several directorships in other members of the Group. Mr. OEI was educated in the USA and obtained a Bachelor's Degree in Economics (with a minor in Electrical Engineering), and a Master's Degree in Business Administration. Earlier in his career, he worked with Peregrine Securities Ltd. and PCCW Limited in Hong Kong, the LG Group in Seoul and McKinsey & Co. in Los Angeles, USA. Mr. OEI is currently an Executive Director of HKC, the shares of which are listed on the main board of the Stock Exchange and the controlling shareholder of the Company. He is also a director of certain subsidiaries of HKC. Mr. OEI is also a director and a shareholder of Claudio Holdings Limited ("Claudio"), the controlling shareholder of HKC.

Save as disclosed above, Mr. OEI did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

There is a service contract entered into between the Company and Mr. OEI. His term of appointment as an Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. Mr. OEI receives a director's fee of HK\$75,000 per annum and a remuneration of HK\$1.2 million per annum and discretionary bonuses, which are determined with reference to his experiences and responsibilities with the Company and its subsidiaries, the remuneration benchmarks in the industry and the prevailing market situation and are in line with the director's emolument received by other Executive Directors.

As at the Latest Practicable Date, Mr. OEI had (i) a personal interest in 1,190,848 underlying Shares in respect of warrants issued by the Company; (ii) a corporate interest in (1) 507,179,732 Shares held by HKC; (2) a zero coupon convertible note issued by the Company to HKC with a principal amount of RMB73.5 million carrying rights to convert into 82,126,965 Shares at the conversion price of HK\$1.0113 per Share (subject to adjustment); (3) 1,385,170,068 convertible Preferred Shares issued and allotted by the Company to HKC carrying rights to convert into Shares at the initial conversion rate of 1 convertible Preferred Share to 1 Share (subject to adjustment); and (4) 70,579,593 Shares

LETTER FROM THE BOARD

and 43,292,891 underlying Shares in respect of warrants issued by the Company held by Genesis Capital Group Limited (“Genesis”); and (iii) a joint interest in 3,949,614 Shares and 14,051,471 underlying Shares in respect of warrants issued by the Company jointly held with his wife, Mrs. OEI Valonia Lau (“Mrs. OEI”). Since HKC is held as to approximately 38.96% by Claudio (via its wholly-owned subsidiaries, Creator Holdings Limited and Genesis), a company owned as to 50% by Mr. OEI and as to the remaining 50% by Mrs. OEI, as at the Latest Practicable Date, Mr. OEI is deemed to be interested in the same parcel of Shares in which HKC is interested.

Mr. OEI was a director of China Galaxy Holdings Limited (“China Galaxy”) for the period from 14 November 2007 to 3 April 2009. China Galaxy was an investment holding company incorporated in Hong Kong and was a former subsidiary of HKC until 3 April 2009. After his ceasing to act as one of its directors, a letter from the provisional liquidators (as appointed by the Official Receiver’s Office) was received by Mr. OEI on 17 August 2009, stating that a winding up order had been made against China Galaxy on 12 August 2009. According to Mr. OEI, he has no knowledge at the present time of the amount involved in the compulsory winding up proceedings of China Galaxy as well as the possible outcome of such winding up proceedings.

Save as disclosed above, Mr. OEI does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr. OEI that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(b) Mr. LEUNG Wing Sum, Samuel (*Executive Director*)

Mr. LEUNG Wing Sum, Samuel, aged 47, has been appointed as Executive Director and Chief Financial Officer of the Company since 1 December 2008. He joined the Group in April 2008 as Qualified Accountant of the Company. He also holds several directorships in other members of the Group. Mr. LEUNG is a certified practising accountant of CPA Australia. Mr. LEUNG obtained a Master’s Degree in Business from RMIT University of Australia. He has over 20 years’ experience in auditing and finance management with an international audit firm and other major conglomerates in Hong Kong. Prior to joining the Group, Mr. LEUNG was a director of internal control and risk management of HKC, the shares of which are listed on the Main Board of the Stock Exchange and the controlling shareholder of the Company. He is currently also a director of certain subsidiaries of HKC.

Save as disclosed above, Mr. LEUNG did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

There is a service contract entered into between the Company and Mr. LEUNG. His term of appointment as an Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. Mr. LEUNG receives a director’s fee of HK\$75,000 per annum and a remuneration of HK\$1.2 million per annum and

LETTER FROM THE BOARD

discretionary bonuses, which are determined with reference to his experiences and responsibilities with the Company and its subsidiaries, the remuneration benchmarks in the industry and the prevailing market situation and are in line with the director's emolument received by other Executive Directors.

As at the Latest Practicable Date, Mr. LEUNG had an interest in 2,750,000 underlying Shares in respect of options granted under the share option scheme of the Company.

Save as disclosed above, Mr. LEUNG does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr. LEUNG that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(c) Mr. CHANG Li Hsien, Leslie (*Executive Director and Vice Chairman*)

Mr. CHANG Li Hsien, Leslie, aged 56, is an Executive Director and the Vice Chairman of the Company since 1 September 2010. He also serves as a director of certain members of the Group. Mr. CHANG graduated from George Mason University in U.S.A., he is a certified public accountant in the State of New York, a member of The American Institute of Certified Public Accountants and The Hong Kong Institute of Certified Public Accountants.

Mr. CHANG started his career at US Office of KPMG (formerly known as KPMG Peat Marwick) (the "Firm") and became a partner specializing in the financial services industry. He was also the Firm's director of Chinese Practice in the United States. He then joined CITIC Pacific Ltd in 1994 and was an Executive Director and the Deputy Managing Director of the company. He also served as an alternate director on the board of Cathay Pacific Airways Limited. Both CITIC Pacific Ltd and Cathay Pacific Airways Limited are listed on the main board of the Stock Exchange.

Since 1 September 2010, Mr. CHANG has been appointed as an Executive Director and the Chief Executive Officer of HKC (the controlling shareholder of the Company, shares of which are listed on the main board of the Stock Exchange). He is also an independent non-executive director of Pou Sheng International (Holdings) Limited, a company listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. CHANG did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

LETTER FROM THE BOARD

There is a service contract entered into between the Company and Mr. CHANG which may be terminated by either party serving not less than 3 months' notice in writing to the other. Also, under the Articles of Association, Mr. CHANG's appointment as an Executive Director will expire at the close of the next following general meeting of the Company after such appointment and Mr. CHANG will be eligible for re-election by shareholders at that meeting. Thereafter, Mr. CHANG will be subject to retirement by rotation and re-election in accordance with the provisions of the Articles of Association. Mr. CHANG receives a director's fee of HK\$75,000 per annum and a remuneration of HK\$1.2 million per annum and discretionary bonuses, which are determined with reference to his experiences and responsibilities with the Company and its subsidiaries, the remuneration benchmarks in the industry and the prevailing market situation and are in line with the directors' emolument received by other Executive Directors of the Company.

As at the Latest Practicable Date, Mr. CHANG had an interest in 5,000,000 underlying Shares in respect of options granted under the share option scheme of the Company.

Save as disclosed above, Mr. CHANG does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr. CHANG that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(d) Mr. Tanguy Vincent SERRA (*Non-executive Director*)

Mr. Tanguy Vincent SERRA, aged 32, has been appointed as Non-executive Director of the Company since 23 November 2010. He is also a member of the Audit Committee of the Company. Mr. SERRA is a vice president of TPG and is based in San Francisco and focuses on TPG's efforts in clean tech investing. He joined TPG in 2004 in the London office and worked for three years in Asia in the Singapore and Hong Kong offices. Mr. SERRA graduated from Ecole Supérieure de Commerce de Paris in 2001. Previously, he held the position of alternate director to a non-executive director of Parkway Holdings Limited (listed on the Singapore Stock Exchange) from 2008 to 2010.

Save as disclosed above, Mr. SERRA did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

There is a service contract entered into between the Company and Mr. SERRA. His term of appointment as a Non-executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. Mr. SERRA receives a director's fee of HK\$75,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation and is in line with the director's fee received by other Executive Directors.

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As at the Latest Practicable Date, Mr. SERRA does not have any interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr. SERRA that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NAME CHANGE

On 30 March 2011, the Board announced that the Company proposed to change its name to “China Renewable Energy Investment Limited 中國再生能源投資有限公司”.

The Board is of the view that the new name would more appropriately reflect the focus and current principal business activities of the Group after the successful acquisition of renewable energy projects from HKC and transformation of the Group into a fully-fledged renewable energy company as well as refresh the corporate image and identity of the Company to investors and the public. The Board believes that the Name Change is in the interests of the Company and the Shareholders as a whole.

The Name Change is subject to the passing of a special resolution by the Shareholders at the AGM and the approval by the Registrar of Companies in the Cayman Islands for the use of the new name having been obtained. Subject to the satisfaction of the aforesaid conditions, the Name Change will take effect on the date of issue of the Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands. The Company will comply with the necessary filing procedures in Hong Kong.

Upon the Name Change becoming effective, the securities of the Company will be traded on the Stock Exchange under the new name. The stock short name of the Company will also be changed accordingly. Further announcement will be made by the Company regarding the effective date of the Name Change and the change of stock short name for trading of the Company's securities on the Stock Exchange.

The Name Change will not, by itself, affect any of the rights of the holders of securities of the Company. All existing certificates of shares and warrants of the Company in issue bearing the existing name of the Company will continue to be evidence of legal title to the relevant securities and valid for trading, settlement, registration and delivery purposes. Any new certificates of shares or warrants of the Company issued after the Name Change has become effective will be under the new name. There will not be any arrangement for free exchange of the existing certificates of shares or warrants of the Company for new certificates of shares or warrants under the Company's new name.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 1 June 2011 at 10:00 a.m. is set out at the end of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.hkenergy.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 9th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

At the AGM, the chairman of the meeting will exercise his power under the Articles of Association to put all the resolutions set out in the Notice of AGM to the vote by way of poll.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the Notice of AGM, including the grant of the Issue Mandate and the Repurchase Mandate, the re-election of Directors and the Name Change, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions and the special resolution to be proposed at the AGM.

Your attention is also drawn to the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Hong Kong Energy (Holdings) Limited
YUNG Pak Keung, Bruce
Managing Director

This Appendix serves as an explanatory statement, as required under the Listing Rules, to provide requisite information to Shareholders in connection with the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$8,603,519.92 comprising 860,351,992 Shares. Subject to the passing of the relevant ordinary resolution at the AGM approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 86,035,199 Shares.

REASONS FOR REPURCHASES

The Directors believe that the proposed grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. The Repurchase Mandate will give the Company the flexibility to repurchase Shares as and when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares must be made out of funds legally available for the purpose and in accordance with the Articles of Association and the laws of Cayman Islands, being profits available for distribution and proceeds of a new issue of Shares made for such purpose or if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital, and in case of any premium payable on repurchase, out of profit or share premium account or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital. It is envisaged that the funds required for any repurchase would be derived from such sources.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's audited financial statements for the year ended 31 December 2010) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have a present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorized to make repurchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, HKC was beneficially interested in 507,179,732 Shares, representing approximately 58.95% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the attributable shareholdings of HKC in the Company would be increased to approximately 65.50% of the issued share capital of the Company. As far as the Directors are aware, such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Board shall ensure that no purchase of Shares would result in the aggregate number of Shares held by public Shareholders falling below the minimum percentage specified by the Stock Exchange in respect of the Company.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve calendar months before and up to the Latest Practicable Date were as follows:-

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.8100	0.6450
May	0.8100	0.5700
June	0.7100	0.5700
July	0.6700	0.5200
August	0.6700	0.5300
September	0.6200	0.5300
October	0.7500	0.5800
November	0.7300	0.6200
December	0.7100	0.5600
2011		
January	0.6300	0.5200
February	0.5800	0.4750
March	0.8600	0.4350
April (up to the Latest Practicable Date)	0.8100	0.6500

SHARE PURCHASES MADE BY THE COMPANY IN THE LAST SIX MONTHS

Neither the Company nor any of its subsidiaries has repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the last six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



HONG KONG ENERGY (HOLDINGS) LIMITED

香港新能源(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

(website: www.hkenergy.com.hk)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 1 June 2011 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 December 2010.
2. To re-elect Directors.
3. To authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint auditor of the Company and authorize the Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without modifications the following resolution nos. 5 to 7 as ordinary resolutions and resolution no. 8 as special resolution:

NOTICE OF ANNUAL GENERAL MEETING

5. "THAT:-

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of conversion under any existing warrants, bonds, debentures, notes, options or other securities convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible persons of shares or rights to acquire shares in the share capital of the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:-

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of Company is required by any applicable law or the Articles of Association to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

6. “THAT:-

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the share capital of Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; and
- (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the Shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT**, subject to the passing of Ordinary Resolution Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”
8. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands being obtained, the name of the Company be changed to “China Renewable Energy Investment Limited 中國再生能源投資有限公司” and that any one director of the Company be and is hereby authorised to do all such acts and things and execute all documents he considers necessary or expedient in connection with or to give effect to the change of name of the Company.”

By Order of the Board
Hong Kong Energy (Holdings) Limited
YUNG Pak Keung, Bruce
Managing Director

Hong Kong, 21 April 2011

Notes:

- (1) A member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and to vote on his behalf. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company in Hong Kong at 9th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding of the meeting.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (4) For the purpose of determining members who are qualified for attending the annual general meeting, the Register of Members of the Company will be closed from 30 May 2011 to 1 June 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 27 May 2011.