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HOLDING ANNOUNCEMENT

Reference is made to the announcement of Hoifu Energy Group Limited (the “**Company**”) dated 8 June 2015 in respect of the trading halt in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on 8 June 2015.

The board of directors of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) that on 5 June 2015 (after trading hours), a wholly-owned subsidiary of the Company (the “**Purchaser**”), the Company, a company beneficially wholly-owned by Dr. Hui Chi Ming, an executive director of the Company and a controlling Shareholder (the “**Vendor**”) and 華陸工程科技有限責任公司 (Hualu Engineering & Technology Co., Ltd.*), an independent third party, entered into an agreement (as amended and supplemented by the supplemental agreement dated 15 June 2015), pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire issued share capital of Madagascar Natural Gas Group Limited (the “**Target**”) for a total consideration of US\$365.2 million (equivalent to approximately HK\$2,830.3 million), subject to adjustment, which will be satisfied by payment of cash and the issue of new Shares and convertible note of the Company.

The Target is a company incorporated in the British Virgin Islands with limited liabilities and its major assets include (i) the exclusive operating rights to construct natural gas pipelines and network and supply natural gas to residential, commercial and industrial premises in three major cities of the Republic of Madagascar, namely Antananarivo Province (the capital of the Republic of Madagascar), Tamatave and Tulear, for 25 years, with a possible extension of 10 years; (ii) the rights to construct and operate 300 petroleum and natural gas stations with ancillary convenience stores in Antananarivo Province, Tamatave and Tulear; and (iii) 5% equity interest in Madagascar Southern Petroleum Company Limited, a company which owns 100% interest of the exploration, exploitation and operation rights as well as the profit sharing rights of an onshore block of oilfield of approximately 9,290 square kilometers in the southwest part of the Republic of Madagascar. The controlling shareholder of Madagascar Southern Petroleum Company Limited has agreed to procure Madagascar Southern Petroleum Company Limited to offer a preferential discount of not less than 30% to the market price of the natural gas products to be sold to the Target.

Meanwhile, Hualu Engineering & Technology Co., Ltd., a company established under the laws of the PRC and is a wholly-owned subsidiary of 中國化學工程股份有限公司 (China National Chemical Engineering Co., Ltd*), agreed to provide engineering construction arrangement in relation to the establishment of natural gas pipelines and network for gas supply to residential, commercial and industrial premises and 300 petroleum and natural gas stations with ancillary convenience stores in Antananarivo Province, Tamatave and Tulear.

The Company is currently in the process of preparing an announcement (the “Announcement”) relating to the acquisition of the Target in compliance with the Rules Governing the Listing of Securities on the Stock Exchange and the Announcement will be published by the Company as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 8 June 2015 and will remain suspended pending the release of the Announcement.

By order of the Board
Hoifu Energy Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 2 July 2015

For the purposes of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1 to HK\$7.75. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the board of the Company comprises five executive directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Lam Kwok Hing and Mr. Nam Kwok Lun; and three independent non-executive directors, namely, Mr. Chen Weiming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.

* for identification purpose only