

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



ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by the Company pursuant to Rule 13.18 of the Listing Rules.

The Board is pleased to announce that on 26 October 2017, the Company and a company of a listed financial conglomerate group (the “**Lender**”) entered into the Facility Agreement pursuant to which the Lender agreed to make available to the Company a Hong Kong dollar term loan facility in an aggregate amount of HK\$250,000,000 for a term of 36 months from the date of the Facility Agreement.

The Facility is to be secured by (i) the guarantee from Guangdong Kaifu; (ii) the guarantee from the Guarantor and a subsidiary of the Company respectively; and (iii) the charge/pledge to be granted by several subsidiaries of the Company. The Company shall ensure that all of the proceeds of the Loan are applied towards (a) payment of the consideration regarding the Acquisition; (b) the general working capital requirements of the Company; and/or (c) the financing of any acquisition or investment by the Company.

Pursuant to the terms of the Facility Agreement, a change of control event happens if any person or persons acting in concert beneficially own, directly or indirectly, an aggregate percentage of the issued shares in the Company that is equal to or greater than the aggregate percentage of the issued shares in the Company that are beneficially owned, directly or indirectly, by the Guarantor.

The occurrence of such change of control event constitutes an event of default which the Lender may (i) cancel the Facility; (ii) declare all or part of the Loan, together with accrued interest and all other amounts accrued or outstanding under the relevant finance documents to be immediately due and payable; and (iii) exercise any or all of its rights, remedies, powers or discretions under the relevant security documents.

As at the date of this announcement, the Guarantor indirectly owns approximately 71.57% of the total issued share capital of the Company.

The Directors are of the view that the Facility will provide the Group with solid funding support for further development and operations and will also enable the Group to have readily available funds so as to capture suitable investment opportunities (particularly those may achieve synergy effect with the existing business of the Group) which may arise from time to time in a timely fashion to provide investment return to the Group and the shareholders of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition”	the acquisition of 100% of the issued share capital in New Guangdong Merchants Investment Holding Group Limited, details of which are disclosed in the announcements of the Company dated 28 July 2017 and 14 August 2017 respectively
“Board”	the board of Directors
“Company”	Hoifu Energy Group Limited
“Directors”	the directors of the Company
“Facility Agreement”	the facility agreement dated 26 October 2017 entered into between the Company as borrower and the Lender as lender in relation to the Facility

“Facility”	the term loan facility in an aggregate amount of HK\$250,000,000 made or to be made available under the Facility Agreement
“Group”	the Company and its subsidiaries
“Guangdong Kaifu”	廣東凱富偉業投資管理有限公司, a company incorporated under the laws of the Peoples’s Republic of China, indirectly wholly-owned by the Guarantor as at the date of this announcement and will become an indirect wholly-owned subsidiary of the Company upon completion of the Acquisition
“Guarantor”	Dr. Hui Chi Ming, chairman of the Board and controlling shareholder (as defined under the Listing Rules) of the Company
“HK\$”	the lawful currency for the time being of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the loan made or to be made under the Facility Agreement or the principal amount outstanding for the time being of that loan

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

Hong Kong, 26 October 2017

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the Board comprises eight executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Xu Jun Jia, Mr. Cao Yu, Mr. Ren Qian, Mr. Lam Kwok Hing, M.H., J.P., and Mr. Nam Kwok Lun; and four independent non-executive Directors, namely, Mr. Chen Weiming, Eric, Mr. Kwan Wang Wai, Alan, Mr. Ng Chi Kin, David and Mr. Yim Kai Pung.