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**UPDATE OF DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN
NEW PRAISE INTERNATIONAL LIMITED**

Reference is made to the announcements dated 10 April 2015 and 14 April 2015 (the “**Announcements**”) of Hoifu Energy Group Limited (the “**Company**”) in relation to the acquisition of the entire equity interest in New Praise International Limited. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcements.

EXTENSION OF LONG STOP DATE

As disclosed in the Announcements, Completion is conditional upon the fulfillment of all the conditions precedent on or before the long stop date (“**Long Stop Date**”), being 30 May 2015 or such later date as the parties to the Agreement may agree in writing.

On 29 May 2015, the parties to the Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) to extend the Long Stop Date from 30 May 2015 to 2 June 2015. Save and except for the aforesaid extension of the Long Stop Date, all other terms and conditions of the Agreement shall remain unchanged and continue to be in full force and effect.

UPDATE OF THE ACQUISITION

As set out in the Announcements, the final Consideration is subject to the following adjustments with reference to the valuation on the Target Group as at 31 March 2015 performed by an independent valuer appointed by the Purchaser and the Company (the “**Valuation**”):

- (a) if the Valuation is not less than HK\$150 million, no adjustment will be made to the Consideration and the Consideration will be HK\$150 million; and
- (b) if the Valuation is less than HK\$150 million, there shall be deducted from the Consideration an amount equal to such shortfall amount, and the Vendor shall receive, instead of 80,000,000 Consideration Shares, such adjusted number of new Shares (the “**Adjusted Consideration Shares**”) which shall be calculated as follows:

Adjusted Consideration Shares = 80,000,000 Consideration Shares – Reduced Shares

where:

Reduced Shares = (HK\$150 million – Valuation)/Issue Price

For the avoidance of doubt, the number of Reduced Shares shall be rounded to the nearest integer.

As set out in the Agreement, the Consideration is to be satisfied as to HK\$50 million (or equivalent amount in RMB) in cash (the “**Cash Consideration**”) and the remaining portion of the Consideration will be satisfied by the issue of the Consideration Shares at the Issue Price of HK\$1.25 per Consideration Share. The Cash Consideration has been paid and financed by the internal resources of the Group. According to the Valuation prepared by BMI Appraisals Limited, an independent valuer, the valuation of the Target Group adopting asset-based approach is HK\$130 million as at 31 March 2015. Based on the Valuation, the Consideration will be adjusted downwards by HK\$20 million (represented 16,000,000 Reduced Shares) to HK\$130 million. Therefore, the Adjusted Consideration Shares will be 64,000,000 Shares.

An application has been made by the Company to obtain the listing approval from the Listing Committee of the Stock Exchange (the “**Listing Approval**”) for the listing of, and permission to deal in, the Adjusted Consideration Shares.

Save for the Listing Approval, all the conditions precedent of the Agreement have been fulfillment as at the date of this announcement.

Upon obtain the Listing Approval, all the conditions precedent of the Agreement will be satisfied and the Completion is estimated to take place on or before 2 June 2015. In accordance with the terms of the Agreement, the Company will settle the Adjusted Consideration by issuing 64,000,000 Adjusted Consideration Shares at the Issue Price of HK\$1.25 per Consideration Share by the Company to the Vendor pursuant to the General Mandate upon Completion.

The Group intends to occupy the Property as head office premises for the Group's energy business development in Madagascar.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (a) immediately before Completion; and (b) immediately after Completion and issue and allotment of the Adjusted Consideration Shares:

	Immediately before Completion		Immediately after Completion and issue and allotment of the Adjusted Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Triumph Energy Group Limited (<i>Note 1</i>)	838,163,143	52.57	838,163,143	50.54
Taiming Petroleum Group Limited (<i>Note 2</i>)	114,018,000	7.15	114,018,000	6.88
Wisdom On Holdings Limited (<i>Note 3</i>)	8,410,000	0.53	8,410,000	0.51
Public Shareholders:				
Other Public Shareholders	633,689,458	39.75	633,689,458	38.21
Vendor	<u>—</u>	<u>—</u>	<u>64,000,000</u>	<u>3.86</u>
	<u>1,594,280,601</u>	<u>100.00</u>	<u>1,658,280,601</u>	<u>100.00</u>

Percentage may not add up to 100 per cent due to rounding.

Notes:

1. Triumph Energy Group Limited is owned as to 51.06% by Taiming Petroleum Group Limited, which is wholly-owned by Dr. Hui Chi Ming, a Director, 29.89% by AMA Energy Group Limited, which is owned as to 91.7% by Dr. Hui Chi Ming, a Director, and 8.3% by Mr. Zheng Kangbao, and 19.05% by Simply Superb Holdings Ltd, which is owned as to 39% by Mr. Huang Huafeng, 44.2% by Mr. Xu Zhenhui, 9.7% by Mr. Zheng Kangbao and 7.1% by Mr. Liu Hao as at the date of this announcement.
2. Taiming Petroleum Group Limited is wholly-owned by Dr. Hui Chi Ming, a Director, as at the date of this announcement.
3. Wisdom On Holdings Limited is wholly-owned by Hoifu Petroleum Group Investment Holding Limited, which is wholly-owned by Dr. Hui Chi Ming, a Director, as at the date of this announcement.

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

Hong Kong, 29 May 2015

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the Board 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.