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**MAJOR AND CONNECTED TRANSACTION
COMPLETION OF THE ACQUISITION OF THE
TARGET COMPANY INVOLVING THE ISSUE OF
CONSIDERATION SHARES
UNDER THE SPECIFIC MANDATE**

Reference is made to the circular of Hoifu Energy Group Limited (the “Company”) dated 19 October 2016 (the “Circular”) regarding the acquisition of the entire issued share capital of the Target Company together with its interest in relating to the Target Group’s property. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all conditions precedent under the Agreement have been fulfilled and the completion of the Acquisition took place on 30 November 2016.

The Consideration for the Acquisition is RMB401,000,000, which is satisfied by as to (i) RMB50 million in cash as refundable deposit; and (ii) RMB351 million by the issue of 835,714,284 Shares as consideration shares at the issue price of HK\$0.50 per Consideration Share by the Company to the Vendor.

In accordance with the terms of the Agreement, upon the Completion Date, the Company has issued the Consideration Shares for an aggregate amount of up to RMB351 million, being the balance payment for the Consideration, at the issue price of HK\$0.5 per Share to Golden Nova Holdings Limited and/or its designated party.

Following the Completion Date, the Target Company has become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the accounts of the Group.

The Board believes that the Acquisition would generate a stable rental income to the Group, and be in the interests of the Company and the Shareholders as a whole and would enhance the Shareholders' value in the long run and to diversify its business.

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

Hong Kong, 1 December 2016

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