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**DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES**

THE AGREEMENT

The Board is pleased to announce that on 10 April 2015 (after trading hours), the Company, the Purchaser and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire equity interest in the Target Company at the Consideration of HK\$150 million, which will be satisfied by as to (i) HK\$50 million (or equivalent amount in RMB) in cash; and (ii) HK\$100 million by the issue of 80,000,000 Consideration Shares at the Issue Price of HK\$1.25 per Consideration Share by the Company to the Vendor. Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but below 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

WARNING NOTICE

As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 10 April 2015 (after trading hours), the Company, the Purchaser and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the entire equity interest in the Target Company at the Consideration of HK\$150 million, which will be satisfied as to (i) HK\$50 million (or equivalent amount in RMB) in cash; and (ii) HK\$100 million by the issue of 80,000,000 Consideration Shares at the Issue Price of HK\$1.25 per Consideration Share by the Company to the Vendor. Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company.

THE AGREEMENT

Date

10 April 2015 (after trading hours)

Parties to the Agreement

Purchaser: Hoifu Group Properties Investment Limited, a wholly-owned subsidiary of the Company incorporated in BVI.

Vendor: Premier Chief Holdings Limited, a company incorporated in BVI

Issuer: The Company

Vendor is an investment holding company and the sole business activity is holding entire equity interest in the Target Company.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire the entire equity interest in the Target Company.

Consideration

Pursuant to the terms of the Agreement, the Consideration of HK\$150 million shall be satisfied by the Purchaser to the Vendor in the following manner:

- (a) as to HK\$50 million (or equivalent amount in RMB) in cash as refundable deposit within ten days upon signing of the Agreement; and
- (b) as to HK\$100 million shall be paid to the Vendor and satisfied by procuring the Company to issue and allot 80,000,000 Consideration Shares to the Vendor upon Completion.

Further details of the Consideration Shares are set out in the section headed “Consideration Shares” below.

Basis of the Consideration

The Consideration was arrived at based on normal commercial terms after arm’s length negotiations between the Purchaser and the Vendor and was determined after taking into account the Vendor’s undertaking that the valuation of the Target Group of not less than HK\$150 million as at 31 March 2015.

The Board consider that the terms (including the Consideration) of the Acquisition are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is conditional upon, inter alia:

- (i) the board of directors of the Purchaser having approved the Acquisition;
- (ii) having obtaining relevant approval from the Stock Exchange and complying with relevant disclosure requirements in respect of the Acquisition;
- (iii) the Purchaser and the Company being satisfied with the result of the valuation on the Target Group to be made by an independent valuer appointed by the Purchaser and the Company and with valuation on the Target Group of not less than HK\$150 million;
- (iv) the Purchaser and the Company being satisfied with the results of the financial and legal due diligence on the Target Group to be carried out by independent auditors and legal advisor appointed by the Purchaser and the Company; and
- (v) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares.

As at the date of this announcement, no condition precedent has been fulfilled or waived and the Purchaser has no intention to waive any of the above conditions precedent.

Completion

Completion shall take place on the date on which all the conditions precedent of the Acquisition having been satisfied. If the conditions shall not have been fulfilled by 30 May 2015 or such later date as the parties to the Agreement may agree in writing, the Agreement shall terminate and of no effect.

Upon Completion, the Target Company and its subsidiary will become indirect wholly owned subsidiaries of the Group and financial results of the Target Group will be consolidated into the accounts of the Group.

CONSIDERATION SHARES

The Consideration Shares will be allotted and issued at the Issue Price of HK\$1.25 each, which represents:

- (i) a premium of approximately 17.9% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the date of the Last Trading Day;
- (ii) a premium of approximately 17.0% to the average closing price of approximately HK\$1.068 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares up to and including the Last Trading Day;
- (iii) a premium of approximately 525% over the net asset value of approximately HK\$0.20 per Share, calculated based on the unaudited consolidated net asset attributable to owners of the Company of approximately HK\$320,285,000 as at 31 December 2014 and 1,594,602,601 Shares in issue as at the date of this announcement.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to the prevailing market price of the Shares and current market conditions. The Directors consider that the Issue Price is fair and reasonable and the issue of the Consideration Shares at the Issue Price is in the interests of the Group and the Shareholders as a whole.

The Consideration Shares represent approximately 5.0% of the existing issued share capital of the Company as at the date of this announcement and represent approximately 4.8% of the Company's issued share capital as enlarged by the issue of Consideration Shares.

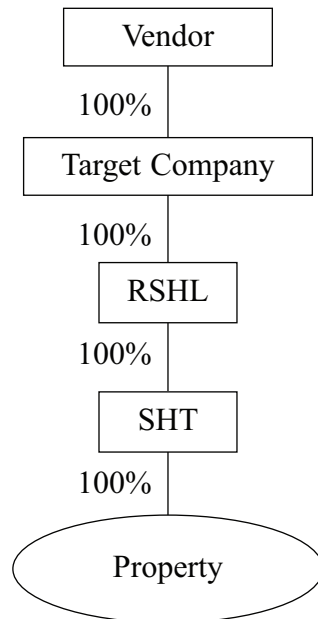
The Consideration Shares will be issued pursuant to the General Mandate. As at the date of this announcement, the Company has allotted and issued 89,174,365 Shares under the General Mandate (the "**Previous Issue**"). After aggregating with the Previous Issue, the General Mandate will be utilized as to approximately 44.2% upon issue of the Consideration Shares.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued upon Completion, will rank pari passu in all respects with the existing Shares in issue.

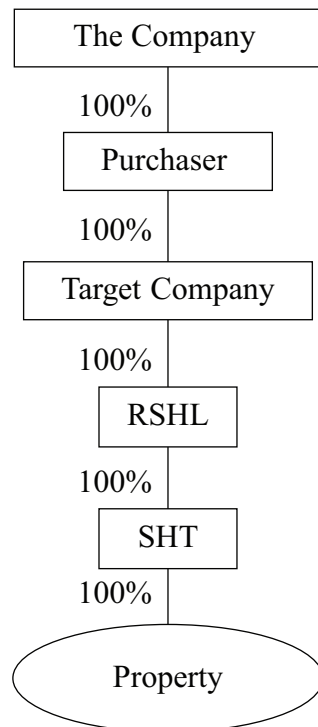
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below is the shareholding structure of the Target Group (i) as at the date of this announcement; and (ii) immediately after Completion:

Shareholding structure of the Target Group as at the date of this announcement



Shareholding structure of the Target Group immediately after Completion



INFORMATION ON THE TARGET GROUP

The Target Company

The Target Company is an investment holding company incorporated in the BVI on 21 November 2014 with limited liability. The Target Company is wholly owned by the Vendor. The Target Company is the holding company of RSHL.

RSHL

RSHL is an investment holding company incorporated in the BVI on 12 May 2009 with limited liability. RSHL is wholly owned by the Target Company. RSHL is the holding company of SHT.

SHT

SHT is a property investment company incorporated in Madagascar on 1 February 2004 with limited liability. The principal asset of SHT is the 100% interest in the Property.

The Property

The Property is an integrated commercial and residential property offering rooms for commercial and residential usage featuring 3-star hotel function. The Property located at Lot 472 ME, Mandrosoa Ivato — Antananarivo, Madagascar. The Property is located in Antananarivo, the capital of Madagascar. The Property has convenient transportation access and is close to the Antananarivo Ivato International Airport and the International Convention Centre of Antananarivo.

The Property has total land area of approximately 4,200 square meters with a land use right of 99 years, of which approximately 1,834 square meters has been used for development, total gross floor area of approximately 6,500 square meters, comprising 5 floors and 1 basement level. The Property currently offers 68 rooms, including 4 deluxe rooms and 64 standard rooms. The Property is also equipped with various facilities, such as meeting room, fitness centre, restaurants, bar, shop, swimming pool and outdoor car-parking facilities. Remaining land area of approximately 2,366 square meters, currently used as an ancillary park, can be used for development.

Financial information of the Target Group

The Target Company

Save for its entire equity interest in RSHL, the Target Company does not have other significant assets and liabilities and has not carried out any significant business activities since its incorporation on 21 November 2014.

RSHL

Save for its entire equity interest in SHT, RSHL does not have other significant assets and liabilities and has not carried out any significant business activities since its incorporation on 12 May 2009.

SHT

SHT is the principal operating subsidiaries of the Target Group.

Set below is the unaudited financial information of SHT as prepared in accordance with Hong Kong Accounting Standards for the financial years ended 31 December 2013 and 2014 respectively:

	Year ended 31 December	
	2013	2014
	(Unaudited) US\$'000	(Unaudited) US\$'000
Turnover	162	229
Net profit/(loss) before taxation	5	(7)
Net profit/(loss) after taxation	4	(8)

The unaudited net assets of SHT as at 31 March 2015 was approximately US\$17,479,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the principal activities of the Group include petrochemical production, oil and gas exploration and production, mineral mining business and provision of financial services. Upon Completion, the Target Company and its subsidiary will become indirect wholly-owned subsidiaries of the Company and results of the Target Group will be consolidated into the Group's accounts.

The Group owns 100% interest in the exploration, exploitation and operation rights and profit sharing right of the Madagascar Oilfield Block 2101 (the “**Oilfield**”), an onshore site with total area of approximately 10,400 square kilometers in the northern part of Madagascar. The Group is vested with the relevant rights to engage in exploitation and operation of oil for 30 years and gas for 35 years at the Oilfield.

In view of the Group's oil and gas business development in the Oilfield, the Directors consider it to be appropriate to acquire additional office accommodation to cope with the Group's expansion in Madagascar. In addition, as the Property is a commercial and residence building with a floor area of approximately 6,500 square metres and is located near the International Convention Centre of Antananarivo, the capital city of Madagascar, and the Antananarivo Ivato International Airport, as well as is easily accessible by other means of public transport, the Directors consider the Property to be an appropriate location in Madagascar. Therefore, the Group intends to occupy the Property as head office premises and staff quarters for the Group's energy business development in Madagascar.

The Directors consider that the terms and conditions of the Acquisition Agreement are fair and reasonable, and the Acquisition is in the interests of the Company and its shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately following Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than the issue of the Consideration Shares):

	As at the date of this announcement		Immediately after Completion	
	No. of Shares	approximate %	No. of Shares	approximate %
Substantial Shareholders:				
Triumph Energy Group Limited (Note 1)	808,163,143	50.7	808,163,143	48.3
Taiming Petroleum Group Limited (Note 2)	127,718,000	8.0	127,718,000	7.6
Wisdom On Holdings Limited (Note 3)	8,410,000	0.5	8,410,000	0.5
Public Shareholders:				
Other Public Shareholders	650,311,458	40.8	650,311,458	38.8
Vendor	—	—	80,000,000	4.8
	<u>1,594,602,601</u>	<u>100.0</u>	<u>1,674,602,601</u>	<u>100.0</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 79.5% by Dr. Hui Chi Ming, a Director, and 12.2% by Mr. Wang Xinqing 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.

LISTING RULES IMPLICATION

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but below 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the entire equity interest in the Target Company pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 10 April 2015 entered into among the Company, the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Hoifu Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the entire equity interest in the Target Company in accordance with the terms and conditions of the Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$150 million payable by the Purchaser for the acquisition of the entire equity interest in the Target Company under the Agreement
“Consideration Shares”	80,000,000 Consideration Shares to be issued by the Company to the Vendor, for settling part of the Consideration, pursuant to the Agreement
“Director(s)”	director(s) of the Company

“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 20 June 2014, under which the maximum number of Shares which may be allotted and issued under the general mandate is 302,955,647 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Issue Price”	the issue price of HK\$1.25 per Consideration Share
“Listing Rule”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Madagascar”	the Republic of Madagascar
“PRC”	the People’s Republic of China
“Property”	the commercial and residential building comprising 68 rooms owned by SHT and located at Lot 472 ME, Mandrosoa Ivato — Antananarivo, Madagascar
“Purchaser”	Hoifu Group Properties Investment Limited, a wholly-owned subsidiary of the Company incorporated in BVI
“RMB”	Renminbi, the lawful currency of the PRC
“RSHL”	wholly-owned subsidiary of the Target Company namely Rising Step Holdings Limited
“Share(s)”	ordinary share(s) in the Company of HK\$0.10 each
“Shareholders”	holders of the Shares
“SHT”	wholly-owned subsidiary of RSHL, namely Societe Hoteliere Tananarivienne
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	New Praise International Limited, a company incorporated in BVI with limited liability
“Target Group”	the Target Company, RSHL and SHT

“Vendor” Premier Chief Holdings Limited, a company incorporated in the BVI with limited liability

“%” per cent

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

Hong Kong, 10 April 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.