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SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 6 February 2015 (after trading hours), the Company entered into a Subscription Agreement with a Subscriber, being independent third party, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at an issue price of HK\$1.23 per Subscription Share.

The issue price of the Subscription Shares represents (i) a premium of approximately 0.82% to the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 4.50% to the average closing price of HK\$1.288 per Share for the last five trading days immediately prior to and including the Last Trading Day; (iii) a discount of approximately 3.61% to the average closing price of HK\$1.276 per Share for the last ten trading days immediately prior to and including the Last Trading Day; and (iv) a premium of approximately 507.63% to the net asset value of approximately HK\$0.20 per Share.

The Subscription Shares represent (i) approximately 1.95% of the existing issued share capital of the Company; and (ii) approximately 1.92% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 20 June 2014.

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares.

The gross proceeds from the Subscription will be HK\$36,900,000 or an equivalent amount in RMB and the net proceeds from the Subscription, after deduction of related expenses of approximately HK\$200,000, is estimated to be approximately HK\$36,700,000, which is intended to be used for general working capital.

INTRODUCTION

On 6 February 2015 (after trading hours), the Company entered into a Subscription Agreement with a Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at an issue price of HK\$1.23 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Date

6 February 2015

Parties to the Subscription Agreement

Issuer: the Company

Subscriber: Mr. Zhu Yongwen

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a third party independent of the Company and connected persons of the Company.

Issue price of the Subscription Shares

The issue price of the Subscription Shares of HK\$1.23 per Subscription Share represents (i) a premium of approximately 0.82% to the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 4.50% to the average closing price of HK\$1.288 per Share for the last five trading days immediately prior to and including the Last Trading Day; (iii) a discount of approximately 3.61% to the average closing price of HK\$1.276 per Share for the last ten trading days immediately prior to and including the Last Trading Day; and (iv) a premium of approximately 507.63% to the net asset value of approximately HK\$0.20 per Share, calculated based on the consolidated net asset attributable to owners of the Company of approximately HK\$310,645,000 as at 30 June 2014 and the total number of issued Shares of 1,534,602,601 as at the date of the Subscription Agreement.

The issue price of the Subscription Shares was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares and the current market conditions.

The aggregate subscription price of the HK\$36,900,000 or an equivalent amount in RMB shall be payable by the Subscriber to the Company in cash upon completion of the Subscription.

Subscription Shares

30,000,000 Subscription Shares will be issued to Mr. Zhu Yongwen. The Subscription Shares represent (i) approximately 1.95% of the existing issued share capital of the Company; and (ii) approximately 1.92% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Shares will rank pari passu in all respects with all other Shares in issue and will entitle the holders to all dividends, and other distributions, rights or entitlements the record date for which falls after the date of issue and allotment of the Subscription Shares. The Subscription Shares will be issued under 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. As at the date of this announcement, the Company has allotted and issued 29,174,365 Shares under the aforementioned general mandate. Application will be made by the Company for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Conditions precedent

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription shall take place within fifteen business days after the date on which the condition precedent of the Subscription having been satisfied.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Subscription will be HK\$36,900,000 or an equivalent amount in RMB and the net proceeds from the Subscription, after deduction of related expenses of approximately HK\$200,000, is estimated to be approximately HK\$36,700,000, which is intended to be used for general working capital. The net issue price per Subscription Share will be approximately HK\$1.223. The Directors consider that the Subscription shall provide immediate funding to the Group at a reasonable cost to broaden the capital base of the Company.

The Directors consider that the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties involved, are fair and reasonable, and the Subscription is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activity in the twelve months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding in the Company as at the date of this announcement and, for illustrative purposes only, upon completion of the Subscription, assuming there being no other changes in the issued share capital and the shareholding structure of the Company after the date of this announcement.

	As at the date of this announcement		Upon completion of the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Triumph Energy Group Limited (Note 1)	808,163,143	52.66	808,163,143	51.65
Taiming Petroleum Group Limited (Note 2)	127,718,000	8.32	127,718,000	8.16
The Subscriber	—	—	30,000,000	1.92
Other public Shareholders	<u>598,721,458</u>	<u>39.02</u>	<u>598,721,458</u>	<u>38.27</u>
	<u>1,534,602,601</u>	<u>100.00</u>	<u>1,564,602,601</u>	<u>100.00</u>

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.

INFORMATION ON THE GROUP

The Company is an investment holding company and the Group is principally engaged in the provision of financial services (including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products advising, securities margin financing and provision of corporate finance advisory services), oil and gas exploration and production and trading of natural resources and petrochemicals.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	6 February 2015, being the last trading day before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Zhu Yongwen
“Subscription”	the subscription of the Subscription Shares by the Subscriber in accordance with the terms and conditions of the Subscription Agreements
“Subscription Agreement”	The subscription agreement dated 6 February 2015 entered into between the Company and the Subscriber in relation to the Subscription

“Subscription Share(s)” an aggregate of 30,000,000 new Shares to be issued by the Company to the Subscriber upon completion of the Subscription Agreements

“%” per cent

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

Hong Kong, 6 February 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.

** for identification purpose only*